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CDX Gas, LLC CDX Rockles, LLC 1801 Broadway, Suite 1060 Denver, Colorado 90202 Tel: 303-298-8211

Fax: 303-299-1134

June 16, 2005

Joe Glennon Retamco Operating, Inc. 3301 Stonewall Lane Billing, MT 59102

VIA FAX

RE:

Exception Location -

South Displacement Point Unit Area

Tent Canyon 4-14-14-25

NW/4NW/4 Sec. 14-T14S-R25E, S.L.B.&M. (328' FWL, 1,017' FNL)

Uintah County, Utah

Dear Mr. Glennon:

<u>Exception Location:</u> CDX Rockies, LLC has staked the above-referenced well at an exception location to reduce surface impact and damages.

CDX Rockies, LLC and/or Retarnco Operating, Inc. ("Retarnco") own all the affected leasehold interests within 800 feet in all contiguous leases (in all directions). (Retarnco's Federal Lease No. UTU-81218, covering the E/2NE/4 of Sec. 15, T14S-R25E and other lands, has not yet been issued).

1. CDX Rockies, LLC and Retamco Operating, Inc. hereby grant permission for the above-referenced proposed exception well location, however,

 Nothing contained hereby shall be construed as a wavier by Retamco Operating, Inc.'s of its right to participate in this well in a Participating Area designated by the BLM under the terms of the pending South Displacement Point Unit Agreement.

Please indicate your approval of the proposed exception location by signing this letter in the space provided below and faxing a copy to 303-298-1134.

Should you have any questions concerning these matters, please do not hesitate to call me at (303) 298-8211 x2884.

Very truly yours,

CDX ROCKIES, LLC

Alvin R. (Al) Arlian

Land Manager -- Western Operations

RETAMCO OPERATING, INC.

TITLE: Attorney

DATE: 6/14/2005



CDX Gas, LLC - CDX Rockies, LLC

1801 Broadway, Suite 1060 Denver, Colorado 80202

Tel: 303-298-8211 Fax: 303-299-1134

June 30, 2004

Diana Whitney Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801

RE:

Tent Canyon 4-14-14-25

NW/4NW/4 Sec. 14-14S-25E Uintah County, Utah

Dear Ms. Wilcken,

Enclosed is a complete set of the APD, plats, surveys, attachments and exhibits for the above referenced well.

The water source for the Tent Canyon 4-14-14-25 will be the White River south of Bonanza, Utah.

Should you have any questions concerning these matters, please do not hesitate to call me at (303) 298-8211 x2888.

Very truly yours,

Laurie Hardy

Land Administrator

/lh

Enclosures

RECEIVED
JUN 2 0 2005

DIV. OF OIL, GAS & MINING

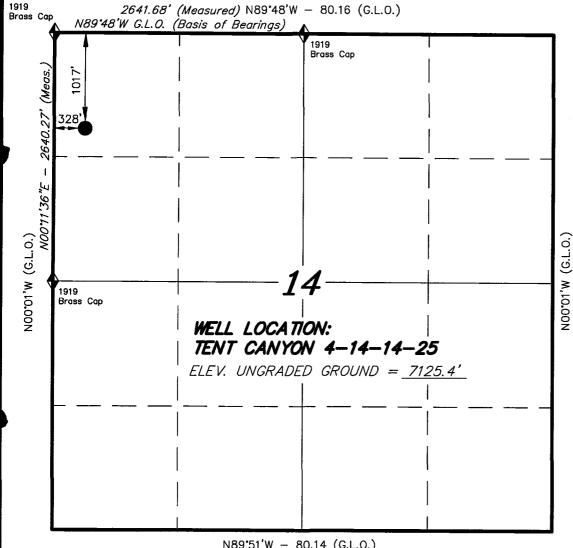
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STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

AMENDED REPORT	
(highlight changes)	

ADDITION FOR DEDMIT TO DOLL					5. MINERAL LEASE NO: UTU-72652	6. SURFACE: Federal			
1A. TYPE OF WO	rk: DF	RILL 🔽	REENTER [DEEPEN				7. IF INDIAN, ALLOTTEE OR	TRIBE NAME:
B. TYPE OF WE	L: OIL	GAS 🗾	OTHER	SIN	GLE ZONE	✓ MULTIPLE ZON	εΠ	8. UNIT or CA AGREEMENT N	
2. NAME OF OPE								S. Displacement F 9. WELL NAME and NUMBER	
CDX Rocki		· · · · · · · · · · · · · · · · · · ·						Tent Canyon 4-14	l-14 - 25
3. ADDRESS OF 1801 Broad		_{CITY} Den	ver sta	TE CO ZIP 802	202	PHONE NUMBER: (303) 298-8211		10. FIELD AND POOL, OR WI	LDCAT:
	WELL (FOOTAGES	3)	10103712X	39.60				11. QTR/QTR, SECTION, TOV MERIDIAN:	VNSHIP, RANGE,
AT SURFACE:	1017' FNL,	328' FWI	4385380	Y - 109.	,				S 25E
AT PROPOSED	PRODUCING ZON	E: Same	10-00-	109.	.09314	6			
			EAREST TOWN OR PO	ST OFFICE:				12. COUNTY:	13. STATE: UTAH
	NEAREST PROPE							Uintah	
328'	NEAREST PROPE	ERIY OR LEAS	E LINE (FEET)	16. NUMBER OI	FACRES IN LEA	ASE: 640	17. N	UMBER OF ACRES ASSIGNED	TO THIS WELL:
18. DISTANCE TO	NEAREST WELL	(DRILLING, CO	MPLETED, OR	19. PROPOSED	DEPTH:	040	20. B	OND DESCRIPTION:	100
N/A	R) ON THIS LEASE	(FEET)				2,900	U [.]	Г-1225	
	(SHOW WHETHER	R DF, RT, GR, E	ETC.):		ATE DATE WOR	K WILL START:		STIMATED DURATION:	
7125' GL				10/1/200)5 ———		3 \	weeks —————————	
24.			PROPOS	SED CASING AI	ND CEMEN	ITING PROGRAM			
SIZE OF HOLE	CASING SIZE, C	GRADE, AND W	EIGHT PER FOOT	SETTING DEPTH	<u> </u>	CEMENT TYPE, QUA	ANTITY,	YIELD, AND SLURRY WEIGHT	
12 1/4	9 5/8"	J55	36 lb.	350	Class G	+ 2% Cal Chl .25	lb. p	er sk.	
7 7/8	5 1/2"	JFF	15.5 lb	2,900	LEAD Pr	em. II + .05 = 12.	5 lb	per g	
					TAIL 50:	50 Poz Clas	5 lb į	oer sk	
		<u>"</u> "							<u> </u>
25.				ATTA	CHMENTS				
VERIFY THE FOL	LOWING ARE ATT	ACHED IN ACC	ORDANCE WITH THE	UTAH OIL AND GAS C	ONSERVATION	GENERAL RULES:			
WELL PL	AT OR MAP PREPA	ARED BY LICEN	ISED SURVEYOR OR E	ENGINEER		OMPLETE DRILLING PLAN			
✓ EVIDENO	E OF DIVISION OF	WATER RIGH	TS APPROVAL FOR US	SE OF WATER			RSON (OR COMPANY OTHER THAN TH	HE LEASE OWNER
NAME (PLEASE I	PRINT) Alvin (A	Al) R. Arlia	an		TITL	E Land Manager	, We	stern Operations	***
SIGNATURE		2/6			DAT	6/14/2005			
(This space for Sta	te use only)								
API NUMBER ASS	SIGNED: 43	-047-	34794	Uta	proved bah Divisi	on of	E J	CEIVE DN 202005	
(11/2001)	Federal Ap Action is	op roval of Vec essary	thia '	Date: Of	and on Reverse S	DIV	OF	OIL, GAS & MININ	G

T14S, R25E, S.L.B.&M.



N89°51'W - 80.14 (G.L.O.)

= SECTION CORNERS LOCATED BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (RAT HOLE RIDGE)

CDX ROCKIES, LLC

WELL-LOCATION, TENT CANYON 4-14-14-25, LOCATED AS SHOWN IN THE NW 1/4 NW 1/4 OF SECTION 14, T14S, R25E, S.L.B.&M. UINTAH COUNTY, UTAH.



THIS IS TO CERTIFY THE PREPARED FROM FIELD MADE BY ME OR THE SAME ARE TO MY KNOWLEDGE A

TRI STATE LAND SURVEYING & CONSULTING

180 NORTH VERNAL AVE. - VERNAL, UTAH 84078 (435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: C.M.
DATE: 5-16-05	DRAWN BY: F.T.M.
NOTES:	FILE #

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Tent Canyon 4-14-14-25 Well

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Plats	Surveyors Plats and Site Photographs	6 pages

DRILLING PROGRAM			
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2	Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations	2	
3	Pressure Control Equipment	2-4	
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Schematic	3,000#'s BOP	1 page
Schematic	5,000#'s BOP	1 page

SURFACE USE PLAN			
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	On-site	1	
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ATTACHMENTS (in order attached)				
	Unit Tract Map	1 page		
Map B	Water Source Map	1 page		

1,017' FNL and 328' FWL NWNW Sec. 14-T14S-R25E Uintah County, Utah CDX ROCKIES, LLC Lease No. UTU72652 DRILLING PROGRAM ALL Sec. 14-T14S-R25E Page No. 1

ONSHORE OIL & GAS ORDER NO. 1 Approval of Operations on Onshore Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

1. <u>Estimated Tops of Important Geologic Markers:</u>

Ground Level Elevation:		7,125
KB Elevation (DATUM):		7,137'
Proposed TVD:		2,900'
Proposed TMD:	2,900'	
Primary Objective:	Neslen Fm Coals	
Formation Tops TVD	Top MD (KB)	Sub sea
Wasatch	100'	7,137'
Mesa Verde	575'	6,562'
Neslen	Neslen 1,785'	
Sego Sandstone 2,405'		4,732'
T.D.	2,900'	4,237'

CDX ROCKIES, LLC Lease No. UTU72652 DRILLING PROGRAM ALL Sec. 14-T14S-R25E Page No. 2

2. <u>Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:</u>

Substance	Formation	Depth
Gas	Neslen	1,785'-2,405'
Water	None	None
Other Mineral Zones	None	None

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. <u>Pressure Control Equipment:</u> (Schematic Attached)

CDX Rockies, LLC's minimum specifications for pressure control equipment are as follows:

- A. Ram Type: 11" Hydraulic double with annular, 2000 psi w.p.
- B. Ram type preventers and associated equipment shall be tested to the approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.
- C. Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained for at least 10 minutes or until provisions of test are met, whichever is longer.
- D. As a minimum, the above test shall be performed:
 - when initially installed;
 - ii. whenever any seal subject to test pressure is broken;

1,017' FNL and 328' FWL NWNW Sec. 14-T14S-R25E Uintah County, Utah CDX ROCKIES, LLC Lease No. UTU72652 DRILLING PROGRAM ALL Sec. 14-T14S-R25E Page No. 3

- iii. following related repairs; and
- iv. at 30-day intervals
- E. Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.
- F. When testing the kill line valve(s) the check valve shall be held open or the ball removed.
- G. Annular preventers shall be functionally operated at least weekly.
- H. Pipe and blind rams shall be activated each trip; however, this function need not be performed more than once a day.
- I. A BOPE pit level drill shall be conducted weekly for each drilling crew.
- J. Pressure tests shall apply to all related well control equipment.
- K. All of the above described tests and/or drills shall be recorded in the drilling log.
- L. BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.
- M. The District Office should be notified, with sufficient lead-time, in order to have the BLM representative on location during pressure testing.
 - i. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 3000-psi working pressure blowout preventer.

CDX ROCKIES, LLC Lease No. UTU72652 DRILLING PROGRAM ALL Sec. 14-T14S-R25E Page No. 4

- ii. a choke line and a kill line are to be properly installed. The kill line is <u>not</u> to be used as a fill-up line.
- iii. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- iv. Drill string safety valve(s), to fit <u>all</u> tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. **Proposed Casing and Cementing Program:**

- A. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation, which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- B. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- C. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data).
- D. Casing collars shall have a minimum clearance of 0.422 inches on all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- E. All waiting on cement times shall be adequate to achieve minimum of 500-psi compressive strength at the casing shoe prior to drilling out.

1,017' FNL and 328' FWL NWNW Sec. 14-T14S-R25E Uintah County, Utah CDX ROCKIES, LLC Lease No. UTU72652 DRILLING PROGRAM ALL Sec. 14-T14S-R25E Page No. 5

- F. All casing, except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- G. The surface casing shall be cemented back to surface either during the primary cement job or by the remedial cementing.
- H. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- I. Centralizers will be run on the bottom three joints of the surface casing with a minimum of 1 centralizer per joint starting with the shoe joint.
- J. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable pre-flush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- K. All Casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- L. Any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- M. The proposed casing program will be as follows:

						<u>ivew</u>
						<u>or</u>
<u>Purpose</u>	<u>Depth</u>	Hole Size	O.D.	Weight	Grade Type	Used
Surface	0-350'	12-1/4"	9-5/8"	36.0#	J-55 ST&C	New*
Production	0-2,900'	7-7/8"	5-1/2"	15.5#	J-55 LT&C	New*

^{*}Casing design (w/ BLM approval) subject to revision based on geologic conditions encountered.

CDX ROCKIES, LLC Lease No. UTU72652 DRILLING PROGRAM ALL Sec. 14-T14S-R25E Page No. 6

N. The cement program will be as follows:

Depth	Type and Amount
-0- to 350'	Surface Pipe: 199 totals sacks Class G Cement + 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake
-0- to 2,900'	Production Casing: 369 totals sacks Lead: Premium II Cement +0.05 lbs/sack Static Free + 3 lbs/sack CSE + 3% bwow Potassium Chloride + 0.25 lbs/sack Cello Flake + 10% bwoc Bentonite + 0.5% bwoc Sodium Metasilicate Tail: (50:50) Poz (Fly Ash): Class G Cement +2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Fake + 0.6% bwoc FL -25 +2% bwoc Bentonite + 0.5% bwoc Sodium Metasilicate

- O. Anticipated cement tops will be reported as to depth; not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
- P. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- Q. The following report shall be filed with the District Manager within 30 days after the work is completed.

Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells," must include complete information concerning:

- a. Setting of each string of casing showing the size, grade, weight of casing set, hole size, setting depth, amount and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
- b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.

CDX ROCKIES, LLC Lease No. UTU72652 DRILLING PROGRAM ALL Sec. 14-T14S-R25E Page No. 7

- S. Auxiliary equipment to be used is as follows:
 - a. Kelly cock
 - b. Bit float, not deemed necessary.
 - c. A sub with a full opening valve.

5. Mud Program:

A. The proposed circulating mediums to be employed in drilling are as follows:

<u>Interval</u>	Mud Type	Mud Wt. ppg	Visc. Sec/qt	WL cc's 30min
0-350'	Air/Air Mist	N/A		
350' to TD	Waterbased	8.5-9.5	30-50	<15

Sufficient quantities of mud materials will be maintained or readily accessible for the purpose of assuring well control during the course of drilling operations.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and Ph.

B. Mud monitoring equipment to be used is as follows:

Periodic checks of the mud system will be made each tour. The mud level will be checked visually.

C. No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

ONSHORE ORDER NO. 1 Tent Canyon 4-14-14-25 Well 1,017' FNL and 328' FWL NWNW Sec. 14-T14S-R25E

Uintah County, Utah

CDX ROCKIES, LLC Lease No. UTU72652 DRILLING PROGRAM ALL Sec. 14-T14S-R25E Page No. 8

- D. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced. stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.
- E. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

6. **Evaluation Program:**

The anticipated type and amount of testing, logging and coring are as follows:

A. No drill stem tests are anticipated, however, if they are run the following will be adhered to... Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DST's may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve providing some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the well bore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

CDX ROCKIES, LLC Lease No. UTU72652 DRILLING PROGRAM ALL Sec. 14-T14S-R25E Page No. 9

- B. The logging program will consist of a DIL-GR from T.D. to base of surface casing with a GR to the surface. A CNL-FDC-GR and FMI will be run from T.D. to 2,000' (minimum run). A DSI-GR will be run from T.D. to base of surface casing.
- C. Cores may be run in from 1,700 to T.D.
- D. Whether the well is completed as a dry hole or as a producer, "Well Completion and Re-completion Report Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (A.O.).
- E. The anticipated completion program is as follows:

After evaluation, cores and logs the decision will be made whether to open hole complete or run a slotted liner from the base of the Intermediate Casing String to T.D.

F. Daily drilling completion progress reports shall be submitted to the Vernal Field Office on a weekly basis.

7. Abnormal Temperatures or Pressures:

- A. No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area.
- B. The maximum anticipated bottom hole pressure will be approximately 650 psi at T.D.

8. Anticipated Starting Dates and Notification of Operations:

- A. Drilling will commence upon approval of this application.
- B. It is anticipated that the drilling of this well will take approximately 20 days.

1,017' FNL and 328' FWL NWNW Sec. 14-T14S-R25E Uintah County, Utah CDX ROCKIES, LLC Lease No. UTU72652 DRILLING PROGRAM ALL Sec. 14-T14S-R25E Page No. 10

- C. The Vernal, Utah District Field Office shall be notified, during regular work hours (7:45a.m. 4:30p.m., Monday through Friday except holidays), at least 24 hours <u>prior</u> to spudding the well.
- D. Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.
- E. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which the hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.
- F. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be requested to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.
- G. No location will be constructed or moved, no well will be plugged, and no drilling or work over equipment will be removed from a well to be placed in a suspended status without prior approval of the A.O. If operations are to be suspended, prior approval of the A.O. will be obtained and notification will be given before resumption of operations.
- H. The spud date will be reported orally to the A.O. within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular workday. The oral report will be followed up with a Sundry Notice.

1,017' FNL and 328' FWL NWNW Sec. 14-T14S-R25E Uintah County, Utah CDX ROCKIES, LLC Lease No. UTU72652 DRILLING PROGRAM ALL Sec. 14-T14S-R25E Page No. 11

- In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations," starting with the month in which operations commence and continue each month until the well is physically plugged or abandoned. This report will be filed with the BLM Craig, Colorado District Office,
- J. <u>Immediate Report:</u> Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revisions.
- K. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the A.O., and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- L. Should the well be successfully completed for production, the A.O. will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- M. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- N. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized period.
- O. A schematic facilities diagram as required by 43 CFR 3162.7-5, (b.9.d.) and shall be submitted to the appropriate District Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil and Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4).

1,017' FNL and 328' FWL NWNW Sec. 14-T14S-R25E Uintah County, Utah CDX ROCKIES, LLC Lease No. UTU72652 DRILLING PROGRAM ALL Sec. 14-T14S-R25E Page No. 12

- P. A first production conference will be scheduled within 15 days after receipt of the first production notice.
- Q. No well abandonment operations will be commenced without the prior approval of the A.O. In case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the S.O. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the A.O. within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the A.O. or his representative, or the appropriate Surface Managing Agency.
- R. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.

9. Special Provisions/Procedures:

A. HISTORIC INSCRIPTION:

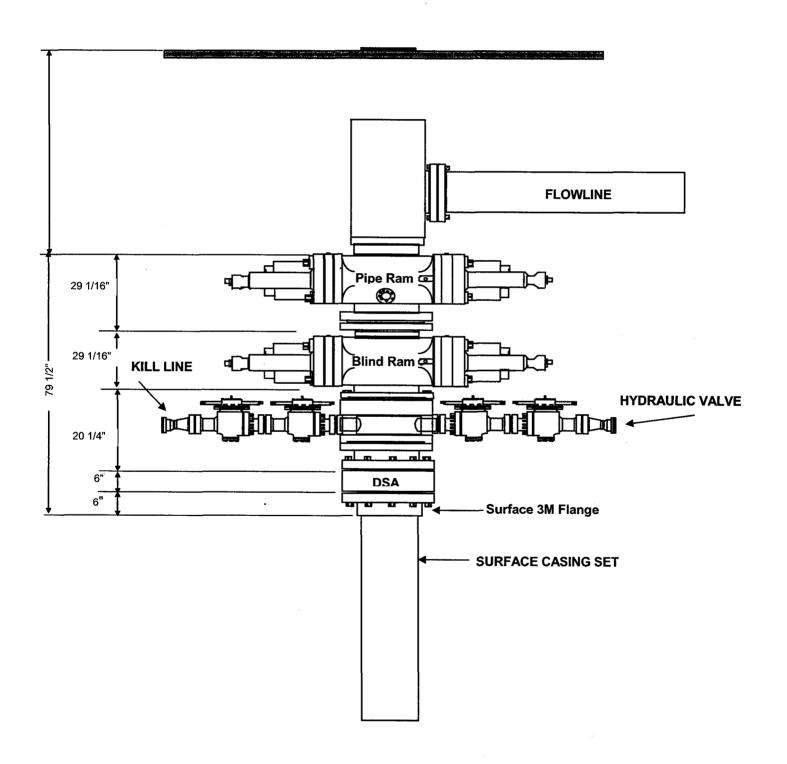
- A sign (caption to be determined by BLM) shall be posted at the historic inscription rendered on a boulder on the east side of the two-track road in the bottom of Tent Canyon (approximately 75' north of the well pad disturbed area).
- During drilling and completion operations a temporary fence (similar to a pit fence) shall be erected and maintained forming a 10' perimeter around the boulder. Said fence to be removed when the well is plugged or completed.

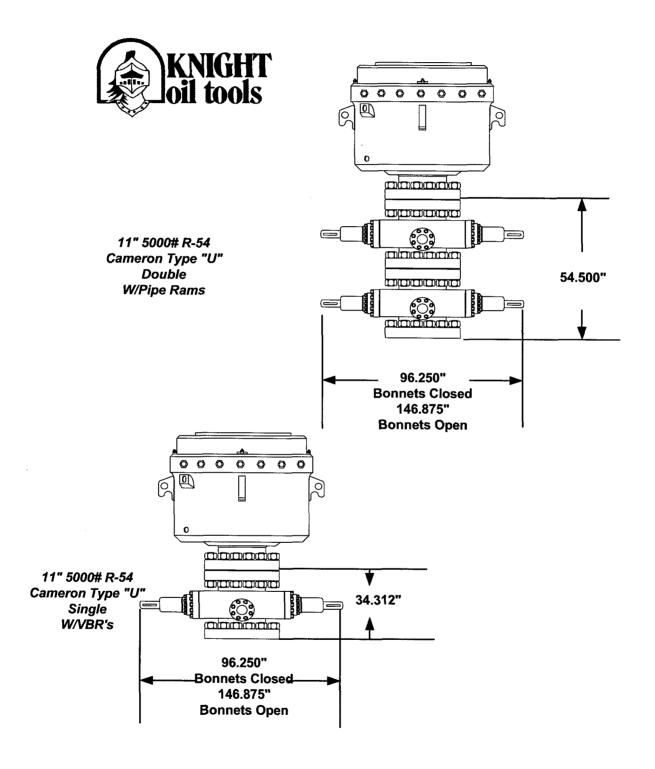


BOP STACK



11" 3M STACK





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ONSHORE OIL & GAS ORDER NO. 1

NOTIFICATION REQUIREMENTS

Location Construction	Forty-eight (48) hours prior to construction of location and access roads.
Location Completion	Prior to moving on the drilling rig (completion rig).
Spud Notice	At least twenty-four (24) hours prior to spudding the well. (N/A – existing well)
Casing String and Cementing	twenty-four (24) hours prior to running casing and cementing all casing strings. (Well has already been drilled, cased and cemented)
BOP and Related Equipment Tests	twenty-four (24) hours prior to initiating pressure tests.
First Production Notice	within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface use Program.

ONSITE

An onsite inspection for the subject well, access roads, and pipeline route was held on May 17, 2005, starting at 11:00 a.m. The weather was clear, slightly windy and warm. The following parties were present:

Al Arlian

CDX Gas, LLC

Corey Stubbs

Stubbs and Stubbs Oilfield Construction, LLC

Stephanie Howard BLM

BLM, Wildlife Specialist

Boyd C. Boyd

Montgomery Archaeological Consultants, Archaeologist

John Hill of Cripple Cowboy Cow Outfit was invited, but was not present. (Unleased Mineral Owner in pending Federal Unit Application.)

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1. **EXISTING ROADS**

- A. The proposed well site is located approximately 40 miles south of Bonanza, Utah
- B. Directions to the location from Bonanza, Utah are as follows:
 - a. From Bonanza proceed south on Utah State Highway #45 (Bonanza Highway) five miles to the Dragon Road.
 - b. Continue south on the Dragon Road 12 miles to Three Mile Canyon Road.
 - c. Then go southwest on the Three Mile Canyon Road three miles to the Atchee Ridge Road.
 - d. Then go 14 miles southeast on the Atchee Ridge Road to the Rat Hole Canyon Road.
 - e. Then go five miles southwest on the Rat Hole Canyon Road/two-track to the Tent Canyon two-track.
 - f. Proceed one mile north on the Tent Canyon two-track to the well site.
- C. For location access road, see surveyor's Access Road Map attached hereto.
- D. No improvement to existing access (state and county maintained roads) is needed. Nor is any improvement needed to the Atchee Ridge Road, other than grading, however the Rat Hole Canyon Road/two-track and the Tent Canyon two-track will need to be up graded to support drilling rig traffic and then graded and erosion measures install to prevent wet weather erosion.
- E. All existing access roads (state, county maintained roads) will be maintained and kept in good repair during all operations associated with this well.
- F. To access the location, the Rat Hole Canyon Road/two-track and the Tent Canyon two-track will be used.
- G. Existing roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

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2. PLANNED ACCESS ROADS (to be improved)

There will be no improvement to the Atchee Ridge Road. However, the Rat Hole Canyon Road/two-track and the Tent Canyon two-track (hereinafter the "two-tracks") will need to be improved to support drilling operations.

- A. Contract the Vernal Resource Area Manager at least 48-hours prior to commencing construction (improvement) of the two-tracks and construction of the well pad.
- B. Current road conditions of the two-tracks are as follows:
 - 1. <u>Length:</u> 6-1/2 miles of (two-tracks) existing road.
 - II. Width: The two-tracks will be crowned, ditched or dipped starting from the end of the Atchee Ridge Road and continued to the site. The improved road maximum disturbed will not exceed 24 feet with a 16 to 18 foot running surface. Dust will be controlled by the use of water or an approved dust retardant, as directed by the Vernal Resource Area Manager.
 - III. <u>Maximum grades:</u> No grades are over 3% except for approximately 2,000 feet of two-track at the point Atchee Ridge Road and Rat Hole Canyon merge and then continuing toward the site, where the grade is estimated to be 7%.
 - IV. <u>Turn-outs:</u> No turnouts should be necessary.
 - V. <u>Drainage Design:</u> Drainage dips will be installed at approximately 250 foot intervals on grades of 5% or more, and at 500 foot intervals on grades of less than 5%. Placement of a culvert will take the place of a water dip. Additional water dips or culverts may be required if road conditions require it. Existing drainage dips near the end of the Atchee Ridge Road are in need of improvement and maintenance. This work will be completed within 30 days of rig removal after drilling.
 - VI. Surfacing Material (source): It appears that no new road base and gravel is needed as the steep part of the road is pretty rocky.
 - VII. No new gates will be needed. However, a cattle guard will be installed at the cross fence about ¾ mile from (south of) the

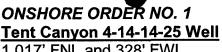
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location. The road way is not fenced. There is one other old cross fence near the old sheepherder cabin that is disrepair.

- B. Vehicular travel will be limited to the existing roadway.
- C. The Access Road and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: <u>Surface Operating Standards for Oil and Gas Exploration and Development</u> (1989).
- D. Road grading shall include ditching, draining, graveling, crowning and capping the roadbed as necessary to provide a well-constructed safe road. Upgrading roads shall not be allowed during muddy conditions. Should mud holes develop, they should be filled in and detours around them avoided.
- E. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.
- F. The entire access road and wellsite are located on land owned by the federal government (BLM).
- G. There will be a heater/treator and water storage facilities at the well location, however all gas shall be transported off the premises by a pipeline terminating at the intersection of the Atchee Ridge Road and Rat Hole Canyon two-track. The gas will tie into Canyon Gas Resources proposed pipeline at that point. Production water, if any, will be hauled to an approved disposal site by truck.



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- H. The underlying lease covers the anticipated production area (PA when unit is approved):
 - I. The Proposed Production Area (Participating Area) is as follows:

Township 14 South, Range 25 East, S.L.B. & M. Section 14: ALL Uintah County, Utah

3. LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE EXISTING WELL'S LOCATION

- A. Water wells None (-0-)
- B. Injection wells None (-0-)
- C. Producing wells None (-0-)
- D. Drilling wells None (-0-)
- E. Shut-in wells None (-0-)
- F. Temporarily abandoned wells None (-0-)
- G. Disposal wells None (-0-)
- H. Abandoned wells None (-0-)
- I. Dry Holes None (-0-)

4. <u>LOCATION OF TANK BATTERIES, GAS PIPELINE, AND PRODUCTION FACILITIES.</u>

A. All permanent structures (onsite for six months or longer) constructed or installed will be painted Black Olive (Fuller O'Brien Code 5WA20-6). All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.



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- B. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain at a minimum the entire content of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- C. A Sundry Notice will be submitted showing placement of all production facilities prior to construction. No facilities shall be located on the cut side of the well pad.
- D. All loading lines will be placed inside the berm surrounding the tank battery.
- E. The gas meter run will be located within 500 feet of the wellhead. The gas flow line will be buried or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.
- F. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The A.O. will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal Field Office. All meter measurement facilities will conform to Onshore Oil and Gas Order No. 4 for liquid hydrocarbons and Onshore Oil and Gas Order No. 5 for natural gas measurement.
- G. If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.
- H. Any necessary pits will be properly fenced to prevent any wildlife entry.
- I. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- J. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

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- K. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- L. The roads will be maintained in a safe useable condition.
- M. Gas and Water Pipelines. There will be no water pipeline for this well. The gas pipeline for this well will be as follows:
 - I. The type of gas pipeline is one buried gas gathering system.
 - II. The outside diameters (O.D.) of all pipe size is 6" or less.
 - III. The anticipated production through the pipeline is less than 2,000 MCF per day gas.
 - IV. The anticipated maximum test pressure is 300 psi.
 - V. The anticipated operating pressure is 80 psi.
 - VI. The type of pipe is steel.
 - VII. The method of coupling is welded.
 - VIII. No additional pipelines shall be located in the same trench.
 - IX. There are no other objects to be associated in same trench.
 - X. The total length of the Pipeline is roughly 5-1/2 mile. ALL located Federal lands, except for a short interval (1/2 mile approximately) which will be located on Crippled Cowboy Cow Outfit land located in Garfield County, Colorado.
 - XI. The width of the trench will be approximately two feet. The depth of the trench is approximately three feet.
 - XII. The depth of cover of the pipeline will also be approximately three feet.
 - XIII. The method of entrenchment will be with a backhoe and/or a trenching machine.

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- XIV. The construction width needed for total surface disturbing activities was approximately 30 feet (bar ditched of the access road).
- XV. The estimated total involving all surface disturbing activities is roughly 3 acres (well pad) and 1-1/2 acres for the widening of the access road.
- XVI. There will be no valves, sphere launchers or other facilities associated with the proposed pipeline operation located on the anticipated Participating Area (that are not located on the well pad), or that are already install and owned by the gas gather.
- XVII. Reclamation procedures will include re-contouring the roads surface and bar-ditch to that prior to construction.
- XVIII. The gas gathering pipeline shall be located in the Tent Canyon and Rat Hole Canyon access roads terminating at the Atchee Ridge Road with a tie-in the proposed Canyon Resources Gas Pipeline.

5. LOCATION AND TYPE OF WATER SUPPLY

- A. Fresh water to be used to drill the well. The water source shall be the White River.
 - a. Dalbo, Inc. 350 South 800 East Vernal, UT 84078 435-828-7982
- B. Dalbo, Inc. currently has a permit to load water from the White River south of Bonanza, UT (Permit No. T75376).
- C. Water will be hauled by truck to location over the roads marked on the attached Map(s) titled Water Source Map.
- C. No Water well is to be drilled on this lease.

6. SOURCE OF CONSTRUCTION MATERIAL

A. No surface and subsoil materials in the immediate area will be utilized.

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- B. Any gravel, if any, used will be obtained from a commercial source.
- C. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2.3. Construction materials will not be located on the lease.
- D. No construction materials will be removed from Federal land.

7. <u>METHODS OF HANDLING WASTE DISPOSAL</u>

- A. The reserve pit will be constructed so as not to leak, break, or allow discharge.
- B. The reserve pit will not be lined, unless rock is encountered, then the pit will be first lined with felt to cover any rocks. In that case the reserve pit will be lined with a 12 mil plastic nylon reinforced liner. The pit will be first lined with felt to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.
- C. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.
- D. Drill cuttings are to be contained, dried, and then buried in the reserve pit at a depth of three (3') below the surface.
- E. Any salts and/or chemicals, which are an integral part of the drilling system, will be disposed of in the same manner as the drilling fluid.
- F. A chemical porta-toilet will be furnished with the drilling rig.
- G. The produced fluids will be produced into a test tank until such time as construction of production facilities, if any, is completed. Any spills of oil, gas, salt, water, or other produced fluids will be cleaned up and removed.

8. **ANCILLARY FACILITIES**

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

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9. WELL SITE LAYOUT

- A. The operator or its contractor shall contact the BLM Office at 435-781-4400 forty-eight (48) hours prior to construction activities. NO CONSTRUCTION SHALL OCCUR OR BE PERMITTED DURING WET PERIODS.
- B. The reserve pit will (is) be located on the "cut" side of the well pad.
- C. The flare pit will be located downwind of the prevailing wind direction on the north side of the reserve pit, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.
- D. The stockpiled topsoil from the pit area (first six inches) will be stored on west side of the pit bank.
- E. Access to the well pad will be from the south using the existing access road/two track, which will be improved.
- F. See Location Layout for orientation of rig, cross sections of drill pad and cuts and fills.
- G. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles are shown on the Location Layout.
- H. During construction, all trees, brush, and sagebrush will be removed from the well pad and access road and stockpiled separately from the topsoil.
- I. All pits will be fenced according to the following minimum standards:
 - i. 39-inch (39") net wire shall be used with at least one strand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
 - ii. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
 - iii. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.



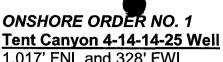
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- iv. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
- v. All wire shall be stretched, by using a stretching device before it is attached to the corner posts.
- J. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. PLANS FOR RESTORATION OF SURFACE

Producing Location

- A. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- B. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- C. The plastic nylon reinforced liner shall be torn and perforated before backfilling the reserve pit. ALL LINER SHALL BE BURIED AT LEAST THREE FEET BELOW THE SURFACE. The pit shall be dry before backfill occurs.
- D. The reserve pit and that portion of the location not needed for production will be re-contoured to the approximate contours that existed prior to commencing operations. The reserve pit will be reclaimed within 120 days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed and all cans, barrels, pipe, etc., if any, will be removed. NO HYUDROCARBONS, CANS, BARRELS, PIPE, ETC., SHALL BE PLACED IN THE PIT DURING DRILLING OPERATIONS.
- E. Reclamation of unused disturbed areas on the well pad/access road no longer needed for operations, such as cut slopes, and fill areas will be accomplished by grading, leveling and seeding as recommended by the Authorized Officer. Operator shall contour so cuts and fills are no more than 2 to 1 slope.



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The seed mixture for reclamation work will be a sight specific mixture as recommended by the authorized officer of the BLM at the time of reclamation. Seeding will be performed in the fall after September 15 or until permanent ground freeze. Any other seeding period will require the approval of the authorized officer of the BLM (and surface owner).

That seed mixture being as follows (unless changed by the authorized officer):

1.	3 lbs/acre	Blue Mountain Wheat Grass,
2.	3 lbs/acre	Narrow leaf Paintbrush,
3.	3 lbs/acre	Mountain Broam, and
4.	3 lbs/acre	Fourwing Saltbrush

F. The topsoil stockpile and the dike of the erosion control pond will be seeded with SEED TO BE AGREED UPON BY THE BLM.

Dry Hole

A. At such as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and BLM will attach the appropriate surface rehabilitation conditions of approval.

11. SURFACE AND MINERAL OWNERSHIP

A. Access Roads.

I. All of the access roads are Federal ownership.

B. Well Pad.

- I. The Well pad is located in the NWNW of Section 14, T14S-R25E, Uintah County, UT.
- II. A mineral ownership map is attached.
- III. A surface ownership map is attached.

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12. OTHER INFORMATION

- A. Montgomery Archaeological Consultants conducted a class III archeological survey on May 16, 2005. No significant cultural resources were found and clearance has been recommended. However, approximately 75' north of the location a historic marker was identified. A copy of this report has been submitted directly to the BLM by Montgomery Archaeological Consultants. See Additional Surface Stipulations below.
- B. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials and contact the authorized officer (A.O.). Within five working days the A.O. will inform the operator as to:
 - whether the materials appear eligible for the National Register of Historic Places;
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is necessary); and
 - a time frame for the A.O. to complete and expedite review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the A.O. are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the A.O. will assume responsibility for mitigation costs. The A.O. will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the A.O. that required mitigation has been completed, the operator will then be allowed to resume construction.
- C. This well, access road and pipeline are not located on an Indian Reservation.
- D. The operator will control noxious weeds along right-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds

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may be obtained from the BLM or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval prior to the application of herbicides or other pesticides or possible hazardous chemicals.

- E. The rig used to drill and/or complete the well will not be stacked or stored on Federal Lands (or lands unitized/communitized with Federal lands) after the conclusion of completion operations or at any other time without BLM authorization approval). However, if BLM authorization is obtained, it is only a temporary measure.
- F. No erosion control structures will be needed at this time.
- G. All lease and/or area operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.
- H. A complete copy of the approved APD shall be on location during any additional construction of the location and all drilling (and completion) activities.
- I. There will be no deviation from the proposed drilling program without prior approval from the A.O. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.
- J. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162,3-2.
- K. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period. After permit termination, a new application will be filed for approval for any future operations.
- L. The operator or his contractor shall contact BLM Offices at 435-781-4400, 48 hours prior to construction activities.
- M. The BLM Office shall be notified upon site completion prior to moving on the drilling rig.

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N. In the event after-hours approvals are necessary, please contact one of the following individuals:

Kirk Fleetwood	435-828-7874
Michael Lee	435-828-7875
BLM Fax	435-781-4410

Additional Surface Stipulations

A. HISTORIC INSCRIPTION:

- A sign (caption to be determined by BLM) shall be posted at the historic inscription rendered on a boulder on the east side of the two-track road in the bottom of Tent Canyon (approximately 75' north of the well pad disturbed area).
- During drilling and completion operations a temporary fence (similar to a pit fence) shall be erected and maintained forming a 10' perimeter around the boulder. Said fence to be removed when the well is plugged or completed.

B. INTRASTATE ROAD ACCESS.

- A short interval of the Atchee Ridge Road and Rat Hole Canyon Road/Two-Tract used for access are located federal lands located in Garfield County, Colorado.
- A short interval of the proposed gas sales pipeline will be located in Garfield County, Colorado crossing both fee and federal lands.

COPIES OF THIS APD WILL BE SUBMITTED TO GARFIELD COUNTY, COLORADO, AND THE BLM GRAND JUNCTION, COLORADO DISTRICT OFFICE.



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13. <u>LESSEE'S OR OPERATOR'S REPRESENTATIVE AND</u> CERTIFICATION

A. Permit Matters

CDX Gas, LLC

Al Arlian

1801 Broadway, Suite 1060

Denver, CO 80202

OFFICE: 303-298-8211 HOME: 303-690-7123 CELL: 303-589-6893

Email: al.arlian@cdxgas.com

B. <u>Drilling & Completion Matters</u>

CDX Gas, LLC. Gary Haefele

1801 Broadway, Suite 1060

Denver, CO 80202

OFFICE: 303-298-8211 CELL: 303-601-9142 FAX: 303-298-1134

Email: gary.haefele@cdxgas.com

Or CDX Gas, LLC

Scott Hutson

5485 Belt Line Road, Suite 190

Dallas, TX 75254

OFFICE: 972-392-1880 CELL: 214-908-1803 FAX: 972-392-1881

Email: scott.Hudson@cdxgas.com

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1,017' FNL and 328' FWL
NWNW Sec. 14-T14S-R25E

Uintah County, Utah

CDX ROCKIES, LLC
Lease No. UTU72652
SURFACE USE PLAN
ALL Sec. 14-T14S-R25E
Page No. 17

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by

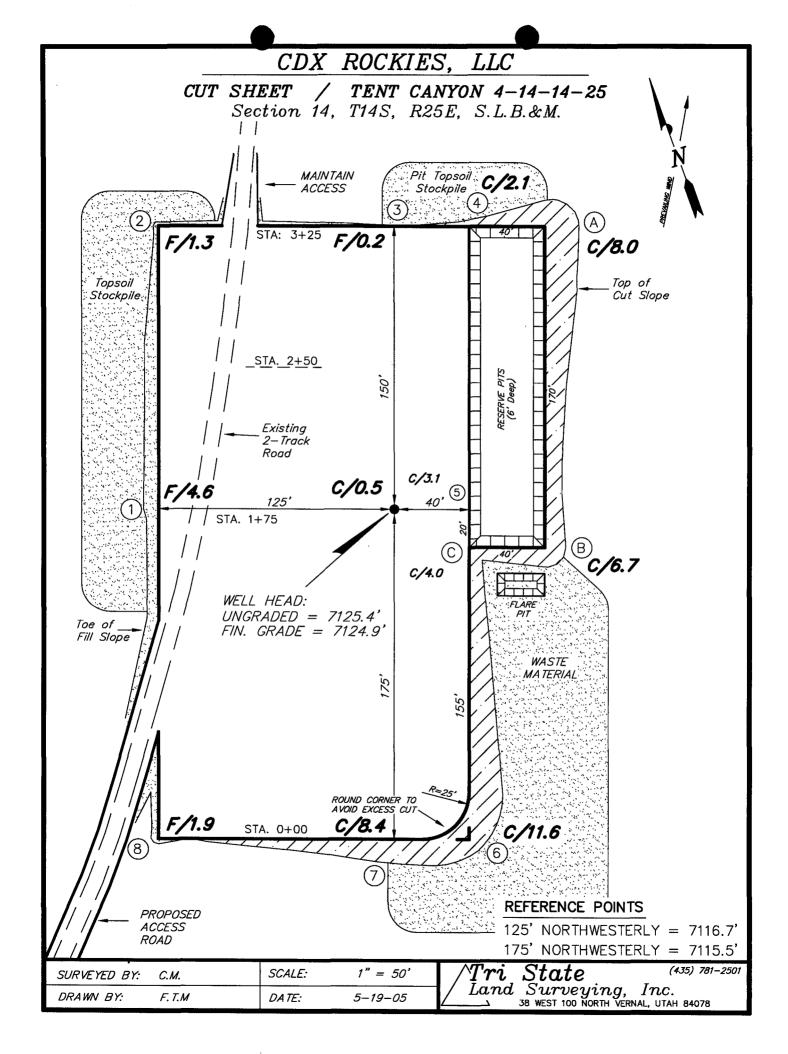
CDX Gas, LLC and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

Alvin R. (Al) Arlian,

Land Manager Western Operations

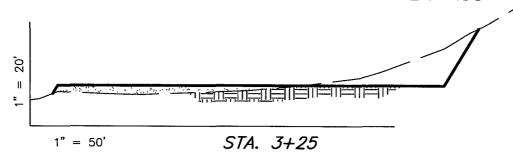
Date:

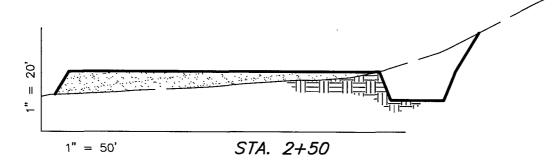


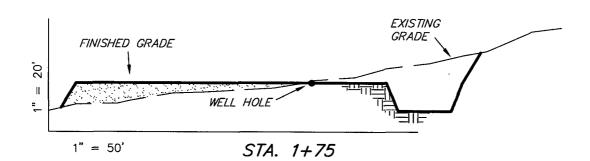
CDX ROCKIES, LLC

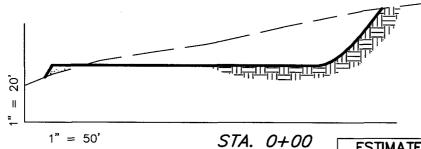
CROSS SECTIONS

TENT CANYON 4-14-14-25









NOTE: UNLESS OTHERWISE NOTED ALL CUT/FILL SLOPES ARE AT 1.5:1

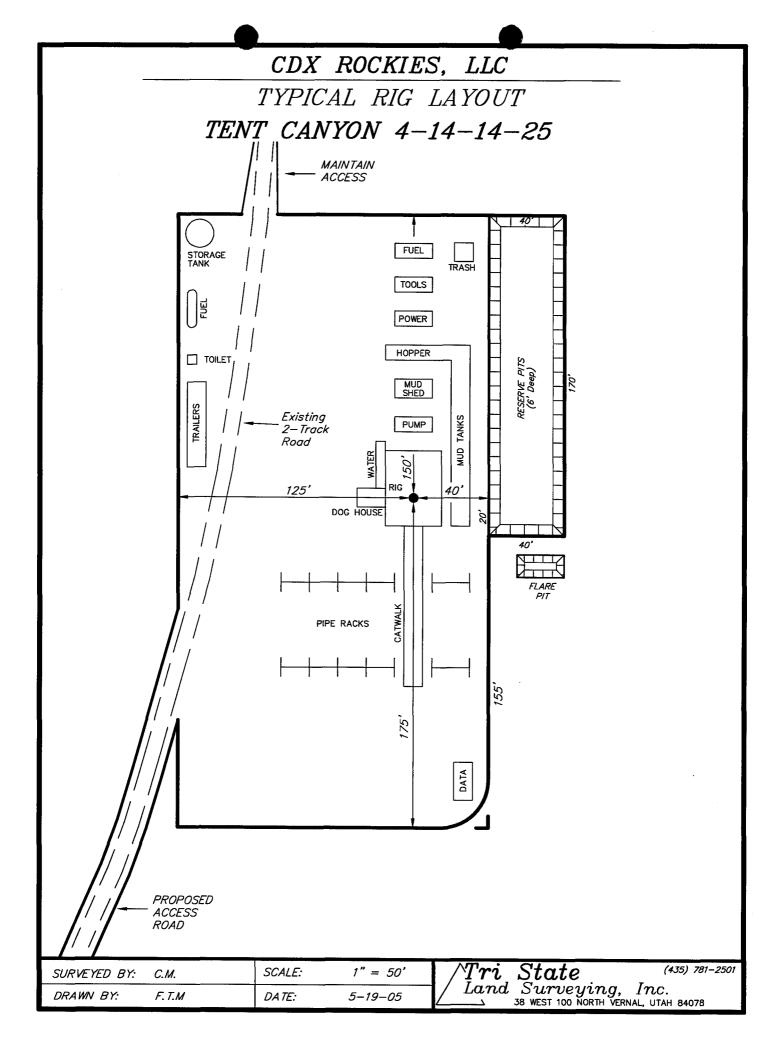
ESTIMATED EARTHWORK QUANTITIES (No Shrink or swell adjustments have been used) (Expressed in Cubic Yards)

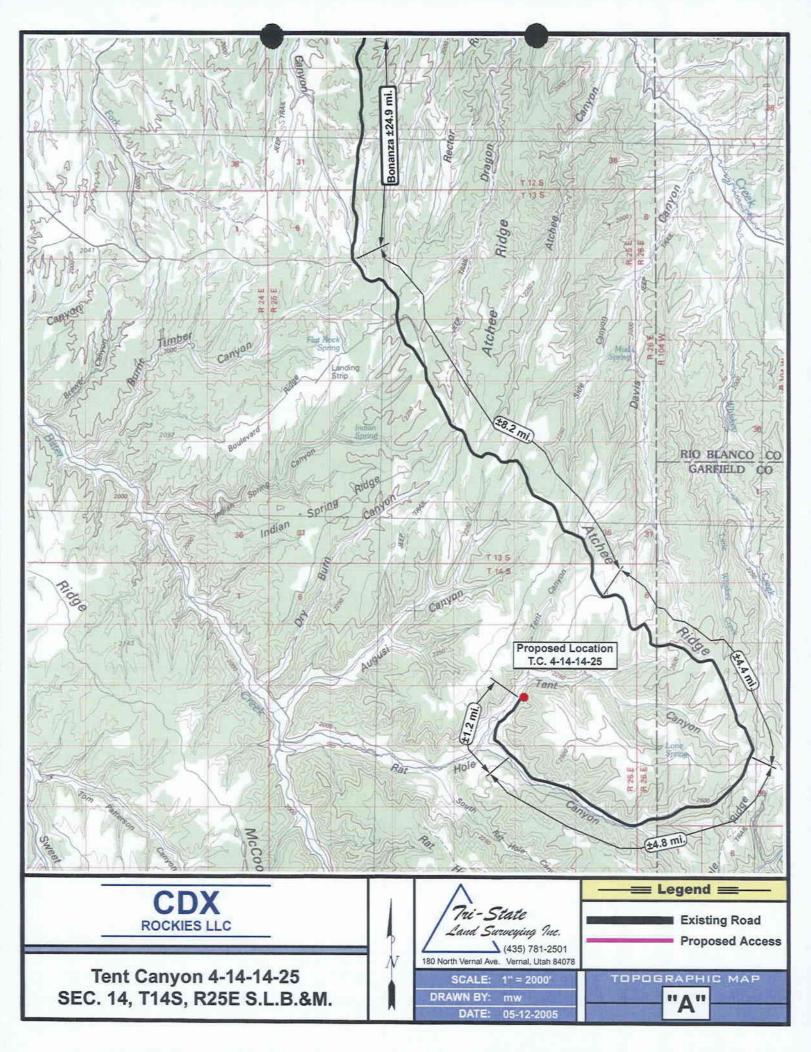
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	3,790	3,640	Topsoil is	150
PIT	1,240	0	in Pad Cut	1,240
TOTALS	5,030	3,640	1,280	1,390

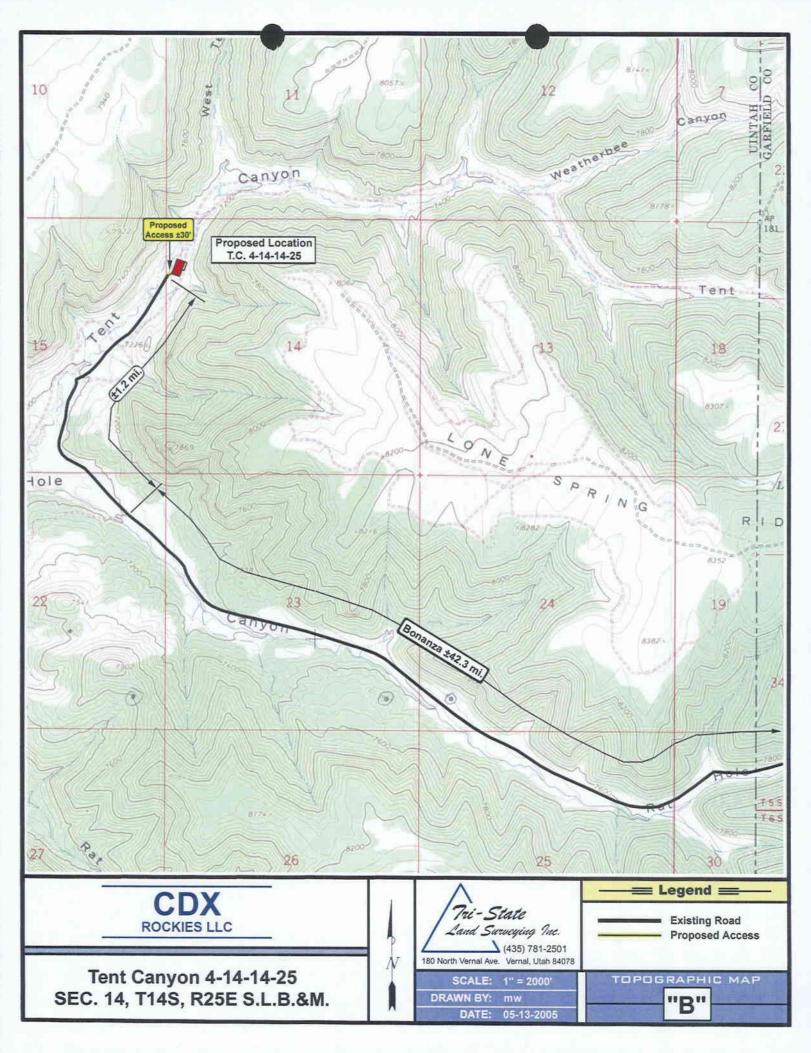
SURVEYED BY:	C.M.	SCALE:	1" = 50'
DRAWN BY:	F.T.M	DATE:	5-19-05

Tri State (435) 781-2501

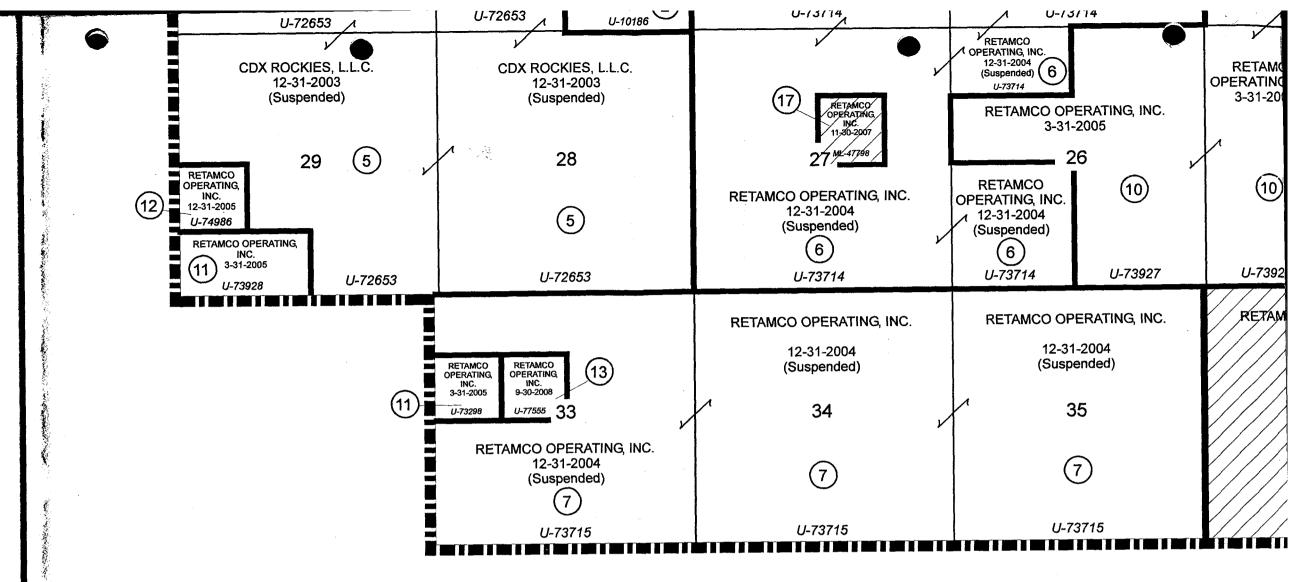
Land Surveying, Inc.
38 WEST 100 NORTH VERNAL, UTAH 84078





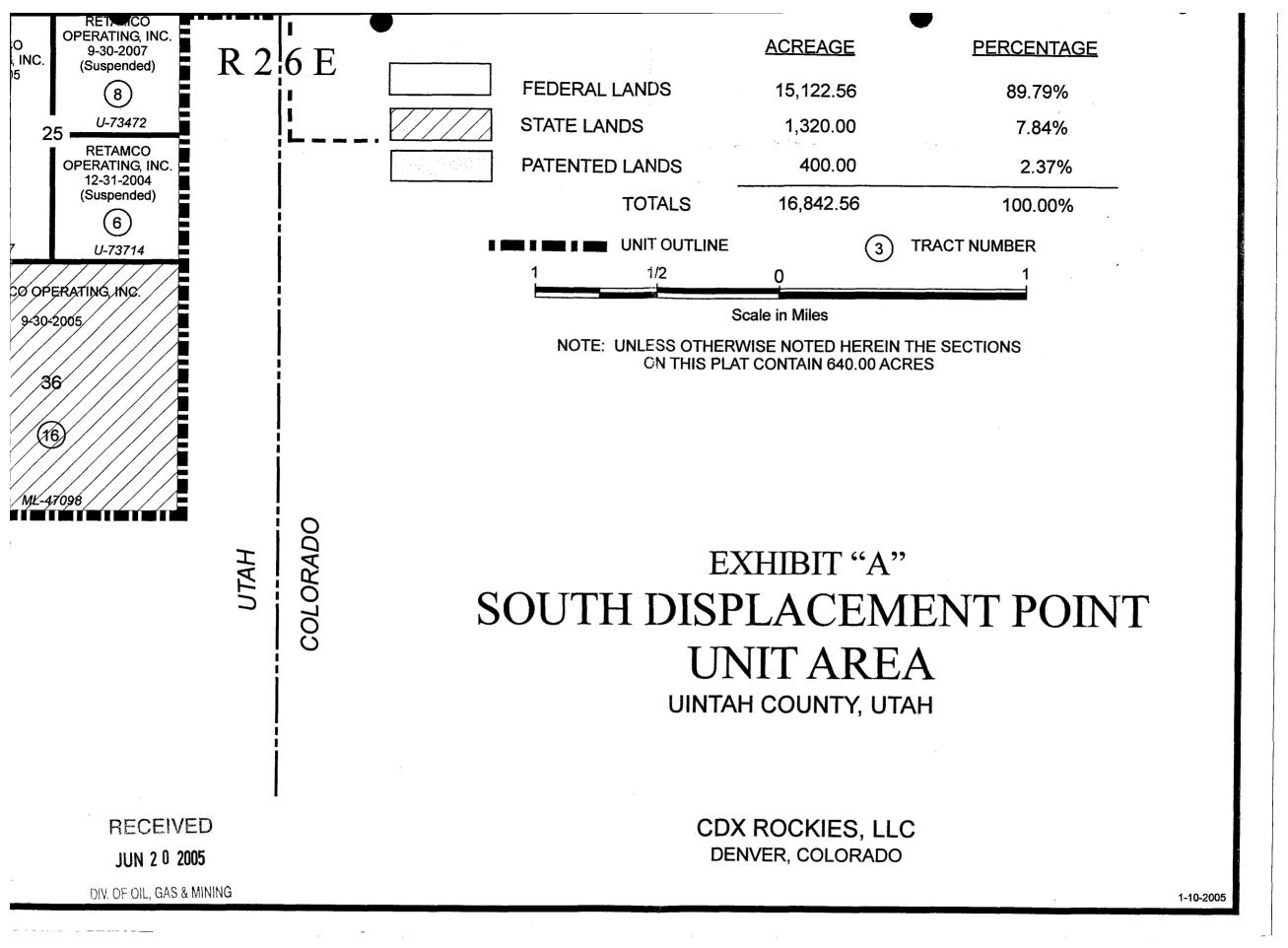


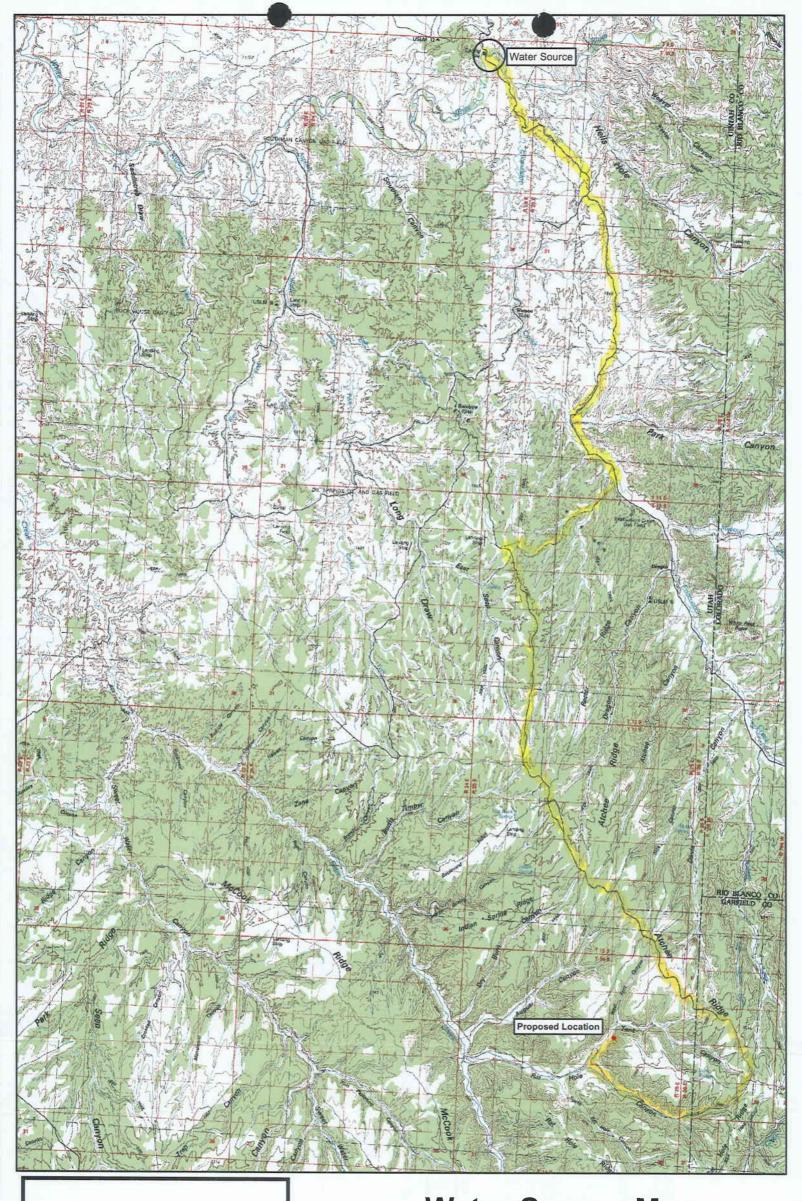
DISPLACEMENT POINT UNIT AREA CD; RAT HOLE UNIT AREA R 25 E CDX ROCKIES, LL.C. 12-31-2003 CDX ROCKIES, L.L.C. 12-31-2003 (Suspended) CDX ROCKIES, L.L.C. CDX ROCKIES, L.L.C. CDX ROCKIES, L.L.C. HBP HBP 12-31-2003 CE 2 (Suspended) U-72652 U-10186 U-72652 (4)4 CDX ROCKIES, L.L.C. HBP (2) U-72652 U-10186 (2)**-**9 **=** 10 11 CARBON ENERGY CORPORATION USA **RETAMCO** CDX ROCKIES, L.L.C. CDX ROCKIES, L.L.C. CDX ROCKIES, L.L.C. OPERATING, INC. 12-31-2003 **HBP** 12-31-2003 Not Yet Issued (Suspended) (Suspended) [1] (2) (4)(4) (14) U-726£ U-72652 U-10186 U-3716-A U-10186 U-81218 / U-72652 **RETAMCO** CDX ROCKIES, L.L.C. RETAMOO CDX ROCKIES, L.L.C. CD OPERATING, INC. **HBP** OPERATING INC 12-31-2003 Not Yet Issued (Suspended) 9-30-2005 (14)U-81218 17-14 RETAMCO OPE CDX CDX ROCKIES, L.L.C. CDX ROCKIES, L.L.C (2) ROCKIES L.L.C. INC. 9-30-200 (Suspend 12-31-2003 12-31-2003 (Suspended) (Suspended) 8 HBP (4)W-734 (18) (5) (4) (2)*ML-47,*096⁄ U-10186 U-72652 U-72653 U-72652 U-10186 Fee / CDX ROCKIES, 18) CDX ROCKIES, RETAM RETAMCO OPERATING, INC. L.L.C. CDX ROCKIES, L.L.C. L.L.C. HBP 12-31-2003 Fee 12-31-2003 12-31-2004 (Suspended) (Suspended) (2)(Suspended) U-10186 20 22 23 (5) (18) RETAMCO OPERATING, INC. 12-31-2004 Fee (6)(Suspended) CDX ROCKIES, L.L.C.



R 25 E

PROPOSED SNOW GROVE MESA UNIT AREA

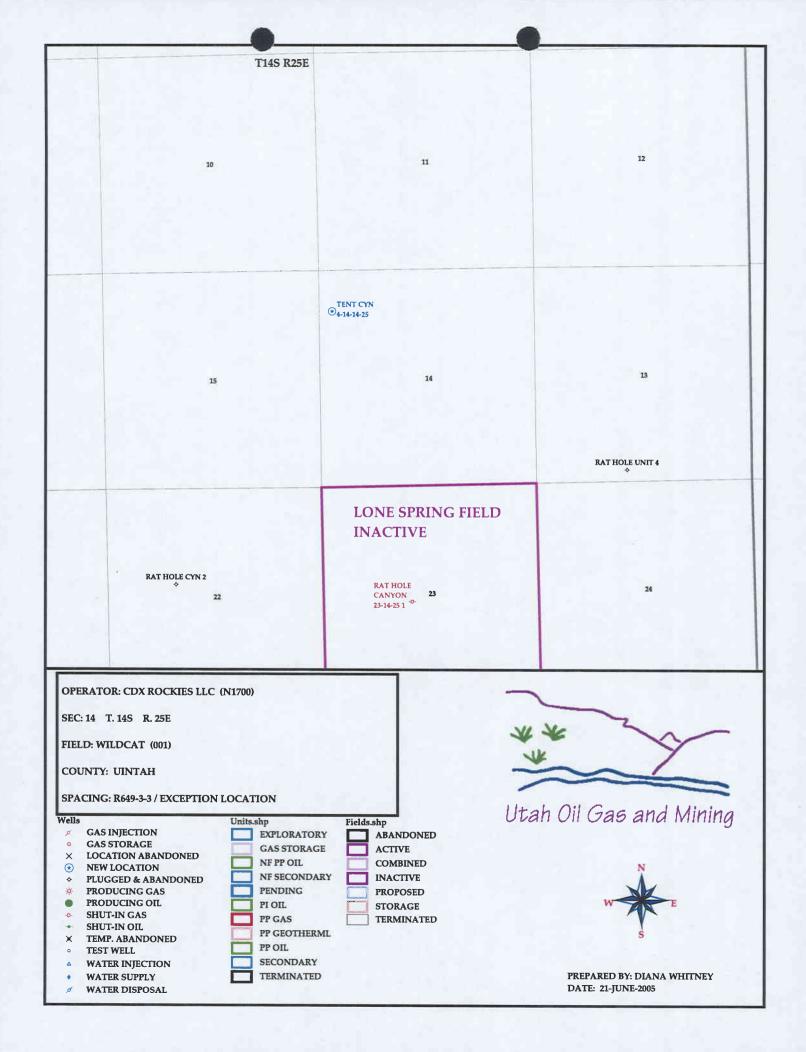




CDX Gas 1801 Broadway, Suite 1060 Denver, CO 80202 Water Source Map Tent Canyon Sec. 14, T14S, R25E

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVE	D: 06/20/2005	API NO. ASSIGN	ED: 43-047-3678	34		
WELL NAME:	TENT CYN 4-14-14-25					
OPERATOR:	CDX ROCKIES LLC (N1700)					
CONTACT:	ALVIN ARLIAN	PHONE NUMBER: 3	03-298-8211			
PROPOSED LO NWNW SURFACE:	CATION: 14 140S 250E : 1017 FNL 0328 FWL	INSPECT LOCATN BY: / /				
BOTTOM:	1017 FNL 0328 FWL	Tech Review	Initials	Date		
UINTAH		Engineering				
WILDCAT	(1)	Geology				
	1 - Federal R: UTU-72652	Surface				
SURFACE OWN PROPOSED FO	ER: 1 - Federal RMATION: MVRD HANE WELL? NO	LATITUDE: 39.6 LONGITUDE: -109				
Plat Bond: (No. Potas N oil S Water (No. RDCC (Dat	hale 190-5 (B) or 190-3 or 190-13 Permit T75376 Review (Y/N)	PR649-3-3. Drilling United Board Cause Eff Date: Siting:	General From Qtr/Qtr & 920' Exception	Between Wells		
	s:	ins Stip				
	And the second s					





State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

June 27, 2005

CDX Rockies, LLC 1801 Broadway, Suite 1060 Denver, CO 80202

Re:

Tent Canyon 4-14-14-25 Well, 1017' FNL, 328' FWL, NW NW, Sec. 14, T. 14 South, R. 25 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36784.

Sincerely,

Gil Hunt

Acting Associate Director

pab Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal District Office

Operator:	CDX Rockies, LLC						
Well Name & Number	Tent Canyon 4-14-14-25						
API Number:	43-047-						
Lease:	UTU-7	2652					
Location: NW NW	Sec. 14	T. 14 South	R. 25 East				

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

FORM 9 STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-72652 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: **SUNDRY NOTICES AND REPORTS ON WELLS** 7. UNIT or CA AGREEMENT NAME: Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. S. Displacement Point 1. TYPE OF WELL 8. WELL NAME and NUMBER: OIL WELL | GAS WELL 7 OTHER Tent Canvon 4-14-14-25 9. API NUMBER: 2. NAME OF OPERATOR: 4304736784 **Pioneer Natural Resources** 3. ADDRESS OF OPERATOR: PHONE NUMBER: 10. FIELD AND POOL, OR WILDCAT: STATE CO 73D 80202 Wildcat 1401 17th St. Ste 1200 Corry Denver (303) 675-2782 4. LOCATION OF WELL FOOTAGES AT SURFACE: 1017 FNL & 328 FWL COUNTY: Uintah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 14 STATE: UTAH CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 11. TYPE OF ACTION TYPE OF SUBMISSION ACIDIZE DEEPEN REPERFORATE CURRENT FORMATION NOTICE OF INTENT FRACTURE TREAT SIDETRACK TO REPAIR WELL ALTER CASING (Submit in Duplicate) Approximate date work will start: NEW CONSTRUCTION CASING REPAIR TEMPORARILY ABANDON CHANGE TO PREVIOUS PLANS **OPERATOR CHANGE TUBING REPAIR** CHANGE TUBING PLUG AND ABANDON VENT OR FLARE SUBSEQUENT REPORT PLUG BACK WATER DISPOSAL CHANGE WELL NAME (Submit Original Form Only) CHANGE WELL STATUS PRODUCTION (START/RESUME) WATER SHUT-OFF Date of work completion: COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE OTHER: RECOMPLETE - DIFFERENT FORMATION CONVERT WELL TYPE 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. CDX Rockies, LLC designates Pioneer Natural Resources USA, Inc, as operator of the Tent Canyon 4-14-14-25 well, effective December 22, 2005. Pioneer Natural Resources USA, Inc bonds for Utah are #104319462 (blanket) and #104319463. This well was approved by DOGM on 6-20-2005 but has not been drilled. (See attached BLM form 3000.3a - Transfer of Operating Rights)

NAME (PLEASE PRINT) Stephen Schreck	TITLE Regulatory Compliance Supervisor
SIGNATURE SEAL SAN	DATE 02/17/2006
SIGNATURE XXXXXX	DATE - / /

This space for State use only)

Division of Oil, Gas and Mining Earlene Russell, Engineering Technician RECEIVED FEB 2 2 2006

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER: SEE ATTACHED LIST						
CUMPDY NOTICES AND DEPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:						
SUNDRY NOTICES AND REPORTS ON WELLS							
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT or CA AGREEMENT NAME: Displacement Point						
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER: SEE ATTACHED LIST						
2. NAME OF OPERATOR: CDX Rockies, LLC ///8/a O	9. API NUMBER:						
CDX Rockies, LLC	SEE ATTACH 10. FIELD AND POOL, OR WILDCAT:						
1801 BROADYWAY #1060 CITY DENVER STATE CO ZIP 80202 (303) 298-8211	Wildcat						
4. LOCATION OF WELL							
FOOTAGES AT SURFACE:	COUNTY:						
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:	STATE: UTAH						
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO	RT. OR OTHER DATA						
TYPE OF SUBMISSION TYPE OF ACTION							
NOTICE OF INTENT	REPERFORATE CURRENT FORMATION						
(Submit in Duplicate) ALTER CASING FRACTURE TREAT	SIDETRACK TO REPAIR WELL						
Approximate date work will start: CASING REPAIR NEW CONSTRUCTION	TEMPORARILY ABANDON						
CHANGE TO PREVIOUS PLANS OPERATOR CHANGE	TUBING REPAIR						
CHANGE TUBING PLUG AND ABANDON	VENT OR FLARE						
SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK (Submit Original Form Only)	WATER DISPOSAL						
Date of work completion: CHANGE WELL STATUS PRODUCTION (START/RESUME)	WATER SHUT-OFF						
COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE	OTHER:						
CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION							
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, denths, volume	ae etc						
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. CDX Rockies, LLC designates Pioneer Natural Resources USA, Inc. as operator of the attached list of wells located in Uintah County Utah, effective December 22, 2005.							
NAME (PLEASE PRINT) Tracy E. Lombardi TITLE Land/Engineering	g Tech.						
SIGNATURE MC4 E COMPANY DATE 2/28/2006							
· · · · · · · · · · · · · · · · · · ·							

Division of Oil, Gas and Mining

RECEIVED MAR 0 2 2006

CDX Rockies, LLC designates Pioneer Natural Resources USA, Inc. as operator of the attached list of wells located in Uintah County Utah, effective December 22, 2005.

Well Name	API No.	Location	Lease No.	Status
Atchee Canyon #25-12-25 #4	43-047-35830	NENW 25-T12S-R25E	Fee	SI
Atchee Ridge #22-13-25	43-047-35678	SWSW 22-T13S-R25E	UTU-73189	SI-Drilling
Atchee Ridge #24-13-25 #1	43-047-32602	SESW 24-T13S-R25E	UTU-72075	SI
Atchee Ridge #15-13-25 #1	43-047-32659	SWSE 15-T13S-R25E	UTU-70248	SI
Davis Canyon #12-13-25 #1	43-047-32618	SENE 12-T13S-R25E	UTU-70247	SI
Atchee Canyon #35-12-25	43-047-34297	SENE 35-T12S-R25E	UTU-70905	APD-Approved
Tent Canyon #4-14-14-25	43-047-36784	NWNW 14-T14S-R25E	UTU-72652	APD-Pending



STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING



Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Tent Canyon 4-14-14-25						
API number:	4304736784						
Location:	Qtr-Qtr: NWNW Section: 14	Township: 14S	Range: 25E				
Company that filed original application:	CDX Rockies, LLC						
Date original permit was issued:	06/27/2005						
Company that permit was issued to:	CDX Rockies, LLC						

Check one	Desired Action:
	Transfer pending (unapproved) Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
1	Transfer approved Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		1
If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		1
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		1
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		1
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		1
Is bonding still in place, which covers this proposed well? Bond No. 104319462	1	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print)	Title Vice President, Western Division	
Signature	Date 2-28-06	
Representing (company name) Pioneer Natural Resources U	JSA, Inc.	

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

MAR 0 2 2006

(3/2004)

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

ROUTING 1. DJJ

2. CDW

X Change of Operator (Well Sold)

The operator of the well(s) listed below has changed, effective:

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:			12/22/2005					7	
FROM: (Old Operator):			TO: (New Operator):				7		
			N5155-Pioneer Natural Resources				ı		
1801 Broadway, Suite 1060			1401 17th St, Suite 1200						
Denver, CO 80202	• :				er, CO 80202				
Phone: 1-(303) 298-8211				Phone: 1-(303) 675-2719				ı
C	A No.			Unit:					7
WELL(S)									1
NAME	SEC	TWN	RNG	API NO	ENTITY NO	I .	1	WELL	7
ATCHEE CYN 25-12-25 #4	25	120S	250E	4304735830	14371	TYPE	TYPE GW	STATUS S	-
FED ATCHEE CYN 35-12-25	35			4304734297	14371	Federal	GW	APD	-
DAVIS CANYON 12-13-25 1	12			4304732618	11970	Federal	GW	S	-
ATCHEE RIDGE 15-13-25 1	15			4304732659		Federal	GW	S	-
FED ATCHEE RIDGE 22-13-25	22			4304735678		Federal	GW	DRL	С
ATCHEE RIDGE 24-13-25 1	24			4304732602		Federal	GW	S	╫
TENT CYN 4-14-14-25	14			4304736784		Federal	GW	APD	1
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OPERATOR CHANGES DOCU Enter date after each listed item is comp 1. (R649-8-10) Sundry or legal documen 2. (R649-8-10) Sundry or legal documen 3. The new company was checked on the 4. Is the new operator registered in the S	oleted Atation was restation was restation was restation was restated to the contract of the	eceived eceived	from ti	he NEW operat	or on: Corporation	1/25/200 3/2/200 ns Databa 738462-01	6 se on:	2/28/2006	_
5. If NO , the operator was contacted con	tacted on:								
6a. (R649-9-2)Waste Management Plan ha	s been recei	ved on:		IN PLACE			·		1
6b. Inspections of LA PA state/fee well si				ok	-			7-	J
6c. Reports current for Production/Dispos	-		•	ok	-			•	
,		140 011	•	O.K.					

7.	Federal and Indian Lease Wells: The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/24/2006 BIA
8.	Federal and Indian Units: The BLM or BIA has approved the successor of unit operator for wells listed on: 2/3/2006
9.	Federal and Indian Communization Agreements ("CA"): The BLM or BIA has approved the operator for all wells listed within a CA on:
10	Description Control ("UIC") The Division has approved UIC Form 5, Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on:
D	ATA ENTRY:
1.	Changes entered in the Oil and Gas Database on: 3/29/2006
2.	Changes have been entered on the Monthly Operator Change Spread Sheet on: 3/29/2006
3.	Bond information entered in RBDMS on: 3/29/2006
4.	Fee/State wells attached to bond in RBDMS on: 3/29/2006
5.	Injection Projects to new operator in RBDMS on:
6.	Receipt of Acceptance of Drilling Procedures for APD/New on: 3/2/2006
	EDERAL WELL(S) BOND VERIFICATION: MTD000041
1.	Federal well(s) covered by Bond Number: MTB000041
I	IDIAN WELL(S) BOND VERIFICATION:
1.	Indian well(s) covered by Bond Number: n/a
F	EE & STATE WELL(S) BOND VERIFICATION:
1.	(R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number 104319462
2.	The FORMER operator has requested a release of liability from their bond on: The Division sent response by letter on:
	EASE INTEREST OWNER NOTIFICATION: (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 3/30/2006
C	OMMENTS:
_	

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

DIVISION OF OIL, GAS AND M	AINING 6. Lease Designation and Serial Number UTU-72652				
SUNDRY NOTICES AND REPORT					
Do not use this form for proposals to drill new wells, deepen existing wells, or Use APPLICATION FOR PERMIT for such					
Type of Well	proposals S. Displacement Point Unit 9. Well Name and Number				
Gas Other (specify)					
vveii vveii	Tent Canyon 4-14-14-25				
2. Name of Operator	43-047-36784				
Pioneer Natural Resources USA, Inc. 3. Address of Operator	4. Telephone Number 11. Field and Pool, or Wildcat				
1401 - 17th Street, Suite 1200, Denver, CO 80202	303/298-8100 Wildcat				
5. Location of Well					
Footage : 1017' FNL and 328' FWL	County : Uintah				
QQ, Sec, T., R., M. : NW NW Section 14, T14S - R25E	State : Utah				
12. CHECK APPROPRIATE BOXES TO INC	DICATE NATURE OF NOTICE, REPORT, OR OTHER DATA				
NOTICE OF INTENT	SUBSEQUENT REPORT				
· (Submit in Duplicate)	(Submit Original Form Only)				
Abandonment New Construction	Abandonment * New Construction				
Casing Repair Pull or Alter Casing	Casing Repair Pull or Alter Casing				
Change of Plans Recompletion	Change of Plans Shoot or Acidize				
Conversion to Injection Shoot or Acidize	Conversion to Injection Vent or Flare				
Fracture Treat Vent or Flare	Fracture Treat Water Shut-Off				
Multiple Completion Water Shut-Off	Other				
Other Request 1 year extension of APD					
	Date of Work Completion				
Approximate Date Work Will Start	Report results of Multiple Completions and Recompletions to different reservoirs				
	on WELL COMPLETION OR RECOMPLETION AND LOG form.				
13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinu	* Must be accompanied by a cement verification report.				
locations and measured and true vertical depths for all markers and zones pertinen					
Pioneer Natural Resources USA, Inc. requests a 1 year ex	tension of the subject APD.				
Approved	by the				
Utah Divi Oil, Gas an	d Mini ng				
OII, das an					
Date: Q	6t-91 9 0				
By:					
, _ 0					
14. I hereby certify that the foregoing is true, and correct.	Consultant for				
Vanaga Hanomanta	Title Pioneer Natural Resources USA, Inc. Date 07/17/06				
Name & Signature VVIIIV TO YOU TO YOU THE STATE OF THE ST	Title Build Title				
(State Use Only)	RECEIVED				
	licities 912100 1111 1 0 2006				
	JUL 1 9 2006				

See Instructions on Reverse Side

DIV. OF OIL, GAS & MINING

(8/90)

Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

API : 43-047-36784
Well Name: Tent Canyon #4-14-14-25
Location: NW NW, 1017' FNL and 328' FWL, Sec. 14, T14S - R25E
Company Permit Issued to: Pioneer Natural Resources USA, Inc.
Date Original Permit Issued: 6/27/2005
Theundersigned as owner with legal rights to drill on the property as permitted
above, hereby verifies that the information as submitted in the previously
approved application to drill, remains valid and does not require revision.
Following is a checklist of some items related to the application, which should be
verified.
response to the state of the st
If location on private land, has the ownership changed, if so, has the surface agreement been updated? Yes NoX
agreement been updated? Yes □ No区
Have any wells been drilled in the vicinity of the proposed well which would affect
the spacing or siting requirements for this location? Yes No X
the spacing of siting requirements for the location.
Has there been any unit or other agreements put in place that could affect the
permitting or operation of this proposed well? Yes NoX
Have there been any changes to the access route including ownership, or right-
of-way, which could affect the proposed location? Yes \(\subseteq \text{No } \subseteq \)
Has the approved source of water for drilling changed? Yes No X
Have there been any physical changes to the surface location or access route
which would require a change in plans from what was discussed at the onsite
evaluation? Yes No X
Is bonding still in place, which covers this proposed well? Yes X No
Is bonding still in place, which covers this proposed well? Yes X No
lhersa Janomaches July 17, 2006
Venessa Langmacher - Permitco Inc. Date
Title: Consultant for Pioneer Natural Resources USA, Inc.

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STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL GAS AND MINING

DIVISION OF OIL, GAS AND N	Lease Designation and Serial Number UTU-72652					
SUNDRY NOTICES AND REPORT	7. Indian Allottee or Tribe Name N/A					
Do not use this form for proposals to drill new wells, deepen existing wells, or		8. Unit or Communitization Agreement				
Use APPLICATION FOR PERMIT – for such	proposals	S. Displacement Point Unit				
1. Type of Well		Well Name and Number				
Oil X Gas Well Other (specify)		Tent Canyon 4-14-14-25				
2. Name of Operator		10. API Well Number				
Pioneer Natural Resources USA, Inc.		43-047-36784				
3. Address of Operator	4. Telephone Number	11. Field and Pool, or Wildcat				
1401 - 17th Street, Suite 1200, Denver, CO 80202 5. Location of Well	303/298-8100	Wildcat				
Footage : 1017' FNL and 328' FWL	County :	Uintah				
QQ, Sec, T., R., M. : NW NW Section 14, T14S - R25E	State :	Utah				
12. CHECK APPROPRIATE BOXES TO INI	DICATE NATURE OF NOTICE, REPO	ORT, OR OTHER DATA				
NOTICE OF INTENT	SUBSEQU	ENT REPORT				
(Submit in Duplicate) •	(Submit Orig	ginal Form Only)				
Abandonment New Construction	Abandonment *	New Construction				
Casing Repair Pull or Alter Casing	Casing Repair	Pull or Alter Casing				
Change of Plans Recompletion	Change of Plans	Shoot or Acidize				
Conversion to Injection Shoot or Acidize	Conversion to Injection	Vent or Flare				
Fracture Treat Vent or Flare	Fracture Treat	Water Shut-Off				
Multiple Completion Water Shut-Off	Other					
X Other Request 1 year extension of APD	Date of Work Completion					
Approximate Date Work Will Start	Report results of Multiple Completions and Recompletions to different reservoirs					
	Report results of Multiple Completions and Rec on WELL COMPLETION OR RECOMPLETION	completions to different reservoirs N AND LOG form.				
	* Must be accompanied by a cement ver					
13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertin		nally drilled, give subsurface				
locations and measured and true vertical depths for all markers and zones pertiner Pioneer Natural Resources USA, Inc. requests a 1 year ex						
Tioneer Hatarat Hessalises son, metroqueste a 1 year on						
	Approved by the	RECEIVED				
	Utah Division of I, Gas and Mining	JUN 0 5 2007				
	i, das and the s	DIV. OF OIL, GAS & MINING				
Date:	Bros 9					
14. I hereby certify that the foregoing is true and correct.	Consultant	for				
Name & Signature Volume Sanymouse	Title Pioneer Natural Resou	rces USA, Inc. Date 05/31/07				
(State Use Only)						

Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

API : 43-047-36784
Well Name: Tent Canyon #4-14-14-25
Location: NW NW, 1017' FNL and 328' FWL, Sec. 14, T14S - R25E
Company Permit Issued to: Pioneer Natural Resources USA, Inc.
Date Original Permit Issued: 6/27/2005
Theundersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously
approved application to drill, remains valid and does not require revision.
provide approximation and accommendation accommendation and accommendation and accommendation and accommendation accommendation accommendation and accommendation accomm
Following is a checklist of some items related to the application, which should be verified.
If location on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No X
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No X
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes NoX
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No X
Has the approved source of water for drilling changed? Yes No X
Have there been any physical changes to the surface location or access route which would require a change in plans from what was discussed at the onsite evaluation? Yes No X
Is bonding still in place, which covers this proposed well? Yes X No
10
May 31, 2007
Venessa Langmacher - Permitco Inc. Date
Title: Consultant for Pioneer Natural Resources USA, Inc.

Form 3160-3 (February 2005) DEGEOVE JUN 202005

FORM APPROVED OMB No. 1004-0137 Expires March 31, 2007

If Indian, Allotee or Tribe Name

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMEN

Lease Serial No. UTU-72652

APPLICATION FOR PERMIT TO DRILL OF REENTER

	APPLICATION	FUR PERIMIT TO L	DRILL ON NELWICH			
la.	Type of work: 🔽 DRILL	REENTE	R		7 If Unit or CA Agreement, Na S. Displacement Point	
lb.	. Type of Well: Oil Well	Gas Well Other	Single Zone Multip	le Zone	8. Lease Name and Well No. Tent Canyon 4-14-14-2	25
2	Name of Operator Pioneer Natura	al Resources USA, Inc			9. API Well No.	36784
3a.	Address 1401 17th Street, Suite 1		10. Field and Pool, or Exploratory Wildcat			
4.	At surface Cate Proposed prod. zone Cate Cate Cate Cate Cate Cate Cate Cat	arly and in accordance with any, 328' FWL (NW/4NW/4)			11. Sec., T. R. M. or Blk. and Su Section 14, T14S, R251	E
14.	Distance in miles and direction from ne 40 miles South of Bonanza, UT	earest town or post office*			12. County or Parish Uintah	13. State UT
15.	Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	328'	16. No. of acres in lease 640(PA)	160	g Unit dedicated to this well	
18.	Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	None	19. Proposed Depth 2900 TVD	МТВ	BIA Bond No. on file :000041	
21.	Elevations (Show whether DF, KDB, 7125' GL	RT, GL, etc.)	22 Approximate date work will star 07/01/2006	nt*	23. Estimated duration 40 days	
			24. Attachments			

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature

Name (Printed/Typed)
Stephen Schreck

Date
04/19/2006

Title
Environmental Regulatory Supervisor

Name (Printed/Typed)

Name (Printed/Typed)

Date
7-3/-2007

Title
Printed Manual Resources

Office
VERNAL FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

RECEIVED AUG 0 3 2007

DIV. OF OIL, GAS & MINING

162 Rec 2 4 55 05PP0438A



Well No:

API No:

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE**

VERNAL, UT 84078

(435) 781-4400

UTU-72652



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Pioneer Natural Resources USA, Inc. Location:

Lease No:

NWNW, Sec. 14, T14S, R25E

Tent Canyon 4-14-14-25

Displacement Point Unit 43-047-36784 Agreement:

Title Petroleum Engineer: Petroleum Engineer: Petroleum Engineer: Petroleum Engineer: Petroleum Engineer: Supervisory Petroleum Technician: NRS/Enviro Scientist:	Name Matt Baker Michael Lee James Ashley Ryan Angus Jamie Sparger Paul Buhler Karl Wright Holly Villa Chuck MacDonald Jannice Cutler Michael Cutler Anna Figueroa	Office Phone Number (435) 781-4490 (435) 781-4432 (435) 781-4470 (435) 781-4430 (435) 781-4502 (435) 781-4475 (435) 781-4484 (435) 781-4404 (435) 781-3400 (435) 781-3401 (435) 781-3407	Cell Phone Number (435) 828-4470 (435) 828-7875 (435) 828-7874 (435) 828-7368 (435) 828-3913 (435) 828-4029 (435) 828-7481
NRS/Enviro Scientist:	Jannice Cutler	(435) 781-3400 (435) 781-3401	(433) 023-1401

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	 Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	- Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	 Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	 Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

General Surface COAs:

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop
 work and contact the Authorized Officer (AO). A determination will be made by the AO as to what
 mitigation may be necessary for the discovered paleontologic material before construction can
 continue.

Specific Surface COAs:

Floodplain and Surface Water Quality Mitigation

- The existing roads will be engineered to include the placement of drainage dips and culverts so that the roads meet gold book standards.
- The pad will be bermed and rip rapped on the north and west sides.
- Double felt and a minimum 16 mil. liner will be used in the reserve pit.
- All permanent infrastructures will be placed as far from the channel as feasible.

Big Game Mitigation

- No construction or drilling will occur from May 15 through June 30 to protect fawning deer and calving elk. This may be waived by the Authorized Officer if a site-survey is conducted and the animals are not in the area.
- No construction or drilling will occur from November 1 through April 30 to protect wintering elk. This may be waived by the Authorized Officer if a site-survey is conducted and the animals are not in the area.

Recreation Mitigation

• If construction or drilling is likely to occur during the hunting season, two weeks prior to beginning those operations, the operator will place signs on the Divide and Massey Junction kiosks to inform hunters of the location and duration of the activity.

Fire Management Mitigation

• The company will contact the Vernal BLM fire personnel within 30 days prior to starting any activities associated with the proposed well to coordinate the timing of both actions.

Page 3 of 6 Well: Tent Canyon 4-14-14-25 7/30/2007

DOWNHOLE CONDITIONS OF APPROVAL

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

None

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the
 daily drilling report. Components shall be operated and tested as required by Onshore Oil &
 Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be
 performed by a test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test shall be
 reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water
 is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM
 Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

Page 4 of 6 Well: Tent Canyon 4-14-14-25 7/30/2007

- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a
 weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is
 completed.
- A cement bond log (CBL) will be run from the production casing shoe to the <u>top of cement</u> and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

Page 5 of 6 Well: Tent Canyon 4-14-14-25 7/30/2007

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be
 notified when it is placed in a producing status. Such notification will be by written communication
 and must be received in this office by not later than the fifth business day following the date on which
 the well is placed on production. The notification shall provide, as a minimum, the following
 informational items:
 - o Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - o Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid,

Page 6 of 6 Well: Tent Canyon 4-14-14-25

7/30/2007

and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

• All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office
 Petroleum Engineers will be provided with a date and time for the initial meter calibration and all
 future meter proving schedules. A copy of the meter calibration reports shall be submitted to the
 BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid
 hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall
 be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering
 lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a
 suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be
 obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
 equipment shall be removed from a well to be placed in a suspended status without prior approval of
 the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior
 approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of
 operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Cor	P	IONEE	R NAT	URAL	RESOU	RCES U	SA INC			
Well Name:_	T	ENT CY	<u>/N 4-1</u>	4-14-25	5					
Api No:	43-047-367	84		_Lease	e Type:	FE	FEDERAL			
Section 14	Township_	14S	_Range_	25E	_Count	y <u>UI</u>	NTAH_			
Drilling Con	tractor	PETE	MART	IN DE	RLG	RIG #	RA'	ГНОГЕ		
SPUDDE	D: Date	08/13/	<u>/07</u>							
	Time									
	How	DRY		<u></u>						
Drilling wi	II Commend	ce:					·			
Reported by		TOM	IMY HE	ERRIN	IG					
Telephone #		(719)	859-65	10						
Date	08/14/07		S	igned_	C	HD				

FORM 9

STATE OF UTAH

DEPARTMENT OF NATURAL REI DIVISION OF OIL, GAS AND			LEASE DESIGNATION AND SERIAL NUMBER: JTU-72652
SUNDRY NOTICES AND REPO	RTS ON WEL	LS 6.	IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells bel drill horizontal laterals. Use APPLICATION FOR PERMIT TO D	low current bottom-hole dep DRILL form for such propose	th, reenter plugged wells, or to	UNIT or CA AGREEMENT NAME: 5. Displacement Point
1. TYPE OF WELL OIL WELL GAS WELL OTH	ER Plugged and	Abandobed i	WELL NAME and NUMBER: Tent Canyon 4-14-14-25
2. NAME OF OPERATOR: Pioneer Natural Resources USA, Inc.			API NUMBER: 304736784
3. ADDRESS OF OPERATOR:	ZIP 80202	PHONE NUMBER: 10	. FIELD AND POOL, OR WILDCAT: WILDCAT
4. LOCATION OF WELL. FOOTAGES AT SURFACE: 1017' FNL, 328' FWL (NW/4NW/4)		CC	DUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 14 145	S 25E	ST	TATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDI	CATE NATURE	OF NOTICE, REPORT	, OR OTHER DATA
TYPE OF SUBMISSION	тт	YPE OF ACTION	
NOTICE OF INTENT	DEEPEN		REPERFORATE CURRENT FORMATION
(Submit in Duplicate) ALTER CASING	FRACTURE	TREAT	SIDETRACK TO REPAIR WELL
Approximate date work will start: CASING REPAIR	NEW CONS	STRUCTION	TEMPORARILY ABANDON
CHANGE TO PREVIOUS PLANS	OPERATOR	t CHANGE	TUBING REPAIR
CHANGE TUBING	✓ PLUG AND	ABANDON	VENT OR FLARE
SUBSEQUENT REPORT (Submit Original Form Only)	PLUG BAC	(WATER DISPOSAL
Date of work completion:	PRODUCTI	ON (START/RESUME)	WATER SHUT-OFF
COMMINGLE PRODUCING FORMAT	TIONS RECLAMAT	TION OF WELL SITE	OTHER:
9/5/2007 CONVERT WELL TYPE	RECOMPLI	ETE - DIFFERENT FORMATION	
Pumped 40 bbls fresh water, spot 35 bbls plug Class "pump 40 BW, 30 bbls Cl "G" w/2% CaCl from 400' TVI (31 bbls) 15.8# Cl "G", witnessed and approved by Bill Please note the site restoration has not been complete weather permits.	'G" w/2% CaCl. D to surface. To I Owens w/BLM.	Tag top of plug @ 1843 o off 50' cement to surfa Rig released at 16:00 9	' w/BLM witness. POH to 400', ace, cmt'd to surface w/150 sx 9/6/07.
NAME (PLEASE PRINT) Joy A. Ziegler	тіт	Senior Engineering	Tech
SIGNATURE OU G. Fiedu	DA	12/12/2007	
(This space for State use only)			

RECEIVED DEC 17 2007

				MENT C	TE OF UTA OF NATURAL OIL, GAS A	RESOL						(hig	hlight o			FO	RM 8 ER:
WELL	COM	PLET	ION O	R RE	COMPL	ETIO	N RE	POR	Γ AND	LOG		6. IF	INDIAN, A	ALLOTTEE	OR TRIE	BE NAME	
a. TYPE OF WELL: OIL GAS DRY OTHER Plugged & Abandoned 7												7. UNIT or CA AGREEMENT NAME S. Displacement Point Unit					
NEW HORIZ. DEEP- RE- DIFF. OTHER											8. W	ELL NAM Fent C	E and NUM	IBER:			
2. NAME OF OPERA Pioneer Na		source	es USA	. Inc.	····								1 NUMBE	r: 7-3678	4		
3. ADDRESS OF OP	ERATOR:				STATE	CO 2	gp 80 2	202		NUMBER: 3) 675-2	663		ELD AND Vildca	POOL, OF	WILDCA	AT .	
4. LOCATION OF W AT SURFACE:	ELL (FOOTAG	ES)			//4) S L B &	M			<u> </u>							SHIP, RANGE	Ξ,
AT TOP PRODUC				_								N	WNW	14	14S	25E	
AT TOTAL DEPT			(IED BELO	w. Jai	III C								COUNTY lintah		<u></u> 1	3. STATE	UTAH
14. DATE SPUDDED	D: 15	. DATE T.	.D. REACHE	D: 16	3. DATE COMPL	ETED:			. [7]	READY TO P			17. ELE	VATIONS (
8/13/2007		9/2/20		BUICBA	9/6/2007 CK T.D.: MD			BANDONE		MPLETIONS				L 7125 TH BRIDGI		/135	
18. TOTAL DEPTH:	MD 2,8	76	19.	PLUG BA	TVD			20. IF MI	LIPLE CC	DMPLETIONS	, HOVV IV	MINT I		UG SET:	TVD	1	
22. TYPE ELECTRIC	C AND OTHER	MECHAN	IICAL LOGS	RUN (Sub	omit copy of each)			23. WAS WELI WAS DST DIRECTION		?	NO NO		YES	(Subr	nit analysis) nit report) nit copy)	
24. CASING AND L	INER RECOR	O (Report	all strings s	et in well))												
HOLE SIZE	SIZE/GRA	DE	WEIGHT (#	#/ft.)	TOP (MD)	BOTTON	/ (MD)	STAGE CE DEF		CEMENT TO NO. OF SA		SLUI		CEMEN ⁻	г то р **	AMOUNT	PULLED
12-1/4	8-5/8	J55	24#		0	38	5			G	260	4	1	<u> </u>	0	No	one
7-7/8	5-1/2	J55	17#		387	2,4	00							<u> </u>		ļ	
_		-+															
							_									 	
	 	-+		-+												1	
25. TUBING RECO	RD																
SIZE	DEPTH S	SET (MD)	PACKER	R SET (MD)) SIZE	=	DEPTH	SET (MD)	PACKE	R SET (MD)		SIZE	(EPTH SET	「(MD)	PACKER	SET (MD)
NA							_		<u> </u>		<u> </u>						
26. PRODUCING IN		TOD	(MD)	воттом	(MD) TOP	(TVD)	BOTTO	M (TVD)		RATION REC		SIZE	NO. HO	FS	PERFO	RATION STA	tus
(A) NA	NAIVE	10	(IVID)	BOTTOW	(WID) TOT	(100)	50110	W (1 V D)	III III	it (Top/Bot	+			Ope		Squeezed	П
		├	+	_	- -						1			Ope	=	Squeezed	一
(B)		 	-	_			_	-						Ope	亓	Squeezed	一
(C)		 		_										Ope	=	Squeezed	一
(D) 28. ACID, FRACTU	OE TOEATM	ENT CEMI	ENT SOUE	ZE ETC				<u> </u>					<u> </u>				<u>—</u>
	INTERVAL		T				_	AMC	UNT AND 1	TYPE OF MAT	TERIAL						
			-							 							
_			1														
			 		· · · · · · · · · · · · · · · · · · ·												
29. ENCLOSED AT	TACHMENTS	:	<u> </u>												30. WE	LL STATUS:	
_	TRICAL/MECH			CEMENT V	ERIFICATION	=	GEOLOG CORE AM	IC REPORT	_	DST REPOR	_	_	CTIONAL	SURVEY		P&A	
							_						R	ECE	EIVE	ED	
(5/2000)						(CO	NTINU	ED ON B	ACK)				_				

(5/2000)

DIV. OF OIL, GAS & MINING

DEC 17 2007

	DUCTION	1			TERVAL A (As sho		Tau	lava va-	I	lean was is
DATE FIRST PR	ODUCED:	TEST DATE:		HOURS TESTE	D:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL BBL:	GAS MCF:	WATER - BBL:	INTERVAL STATUS:
				IN.	TERVAL B (As sho	wn in item #26)				
DATE FIRST PR	ODUCED:	TEST DATE:		HOURS TESTE	D:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:
	*	·		IN'	TERVAL C (As sho	wn in item #26)				
DATE FIRST PR	ODUCED:	TEST DATE:				TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL.:	GAS – MCF:	WATER - BBL:	INTERVAL STATUS:
				IN'	TERVAL D (As sho	wn in item #26)	- 1		•	
DATE FIRST PR	ODUCED:	TEST DATE:		HOURS TESTE	HOURS TESTED:		OIL – BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER - BBL:	INTERVAL STATUS:
32. DISPOSITIO	N OF GAS (Sold,	Used for Fuel, V	ented, Etc.)							
33. SUMMARY	F POROUS ZON	ES (Include Aqu	ifers):			3	4. FORMATION	(Log) MARKERS:		
			ereof: Cored interv ut-in pressures and		m tests, including de	pth interval				
Formatio			ottom (MD)	Descri	ptions, Contents, etc			Name		Top (Measured Depth)
							Mesaverde Neslen Co Sego			931 2,094 2,585

Pumped 40 bbls fresh water, spot 35 bbls plug Class "G" w/2% CaCl. Tag top of plug @ 1843' w/BLM witness. POH to 400', pump 40 BW, 30 bbls Cl "G" w/2% CaCl from 400' TVD to surface. Top off 50' cement to surface, cmt'd to surface w/150 sx (31 bbls) 15.8# Cl "G", witnessed and approved by Bill Owens w/BLM. Rig released at 16:00 9/6/07.

36.	I hereby cer	tify that t	he foregoir	ng and att	ached in	formation	is complet	te and co	rrect as c	letermine	d from al	l available	records.

NAME (PLEASE PRINT) _Joy A. Ziegler

TITLE Senior Engineering Tech

SIGNATURE

2 G. Ziedu

_{re} 12/12/2007

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining

1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

^{*} ITEM 20: Show the number of completions if production is measured separately from two or more formations.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

ENTITY	ACTI	ON	FORM
	~ UII		1 01311

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. ,		-	L 31	

Pioneer Natural Resources USA, Inc.

Operator Account Number: N 5155

Address:

1401 17th Street - Suite 1200

city Denver

zip 80202 state CO

Phone Number: (303) 675-2663

Wall 1

API Number	Well	Name	QQ	Sec	Twp	Rng	County
4304736784	Tent Canyon 4-14-14	NWNW	14	14S	25E	Uintah	
Action Code	Current Entity Number	Spud Date			Entity Assignment Effective Date		
A	99999	16329	8/13/2007			8	1/28/07

Comments:

MURD

Vell 2 API Number	Well I	Name	QQ	Sec	Twp	Rng	County	
Action Code	Current Entity Number					Entity Assignment Effective Date		
Comments:					<u> </u>			

Well 3

Well 3 API Number	Well	Name	QQ	Sec	Twp	Rng	County	
Action Code	Current Entity Number	New Entity Number	S	Spud Date		Entity Assignment Effective Date		
Comments:						<u> </u>		

ACTION CODES:

- A Establish new entity for new well (single well only)
- B Add new well to existing entity (group or unit well)
- Re-assign well from one existing entity to another existing entity
- Re-assign well from one existing entity to a new entity
- Other (Explain in 'comments' section)

RECEIVED

Joy A. Ziegler Name (Please Print)

Senior Engineering Tech

8/15/2007

Date

AUG 2 0 2007

Tent Canyon 4-14-14-25

API: 43047367840000

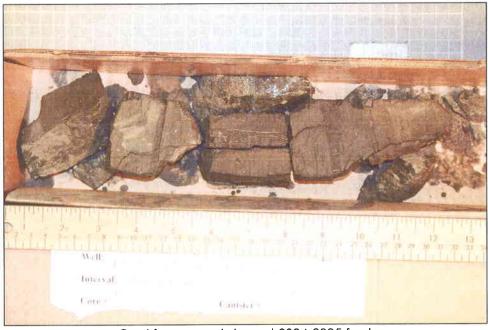
Location: Utah, T14S R25E Sec 14

The Tent Canyon 4-14-14-25 was spud on August 13, 2007 and completed on September 6, 2007. Core was taken from 2075'-2161' (86' in total) in the Mesa Verde. Due to rough hole conditions and sloughing shales, the pipe got stuck and eventually the hole had to be P&A'd at 2876'. Due to hole issues, no wireline logs were run.

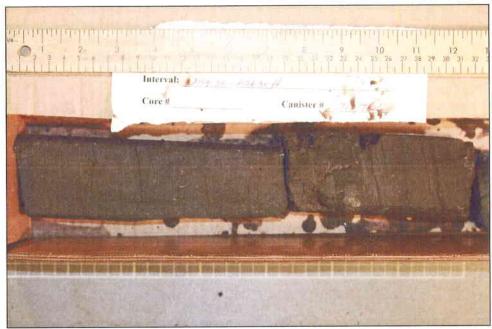
Core Description

2,075 - 2,093.5	Dark Gray/Black Shale
2,093.5 - 2,095.5	Coal
2,095.5 - 2,109	Dark Gray/Black shale
2,109 - 2,121	Well sorted, sub-angular, very fine grained sandstone. The
	sandstone also has calcareous cement. Bedding appears to be
	convoluted. Silt stringers are present
2,121 - 2,135	Well cemented Dark Gray/Black shale with coal stringers
2,135 - 2,149	Moderately well sorted, cemented, sub-angular, very fine
	grained sandstone. The sandstone is white-ish in color and has
	calcareous cement. Silt and coal stringers are present.
2,149 - 2,154	Dark Gray/Black shale
2,154 - 2,156	Coal
2,156 - 2,158	Dark Gray/Black shale
2,158 - 2,160	Coal
2,160 - 2,161	Dark Gray/Black shale

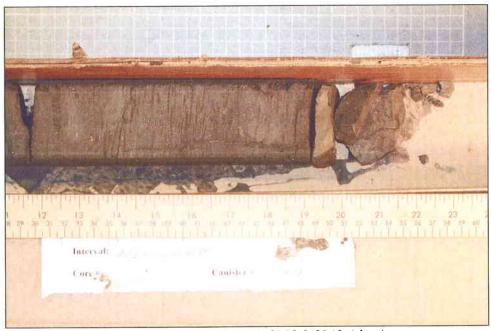
Below are three representative pictures of the coals found in the Tent Canyon 4-14-14-25 core. No other pictures of the washed core are available. The core may be viewed in the Fugro storage facility in Schulenburg Texas where the core is currently being stored.



Coal from core taken at 2094-2095 feet



Coal from core taken at 2154.3-2156.3 feet



Coal from core taken at 2158.8-2160.4 feet

43.047.36764

Tent Canyon 4.14 A 25

Core description of Tent Canyon 4-14-14-25

H. KIS 25e

Three coals were analyzed were run for ash content, gas content and other key information. Below is a summary of the results.

Seam depths, gas contents and gas compositions for sampled coal seams

Seam No.	Coal Zone	Log Depth (feet)		Seam Thickness	Ave Gas Content	Ave Gas Content	C1-C4
		Тор	Bot	(feet)	(scf/ton)	(cc/g)	(%)
1	Mesa Verde	2093.5	2095.5	2	163	5.07	99.2
2	Mesa Verde	2154.0	2156.0	2	197	6.14	98.6
3	Mesa Verde	2158.0	2160.0	2	137	4.27	98.9

Measured and corrected gas contents of coal samples

	Raw Data (In-situ)														
Canister #	MD (feet)		Lost Gas		Measured Gas		Rapid Desorbed Gas		Crushed Gas		Total Gas Content		Dry Ash Free		
	Top	Bot	scf/ton	cc/g	scf/ton	cc/g	scf/ton	cc/g	scf/ton	cc/g	scf/ton	cc/g	scf/tor		
11	2094	2095	13.8	.43	105.8	3.30	28.2	0.9	14.2	.44	162.6	5.07	219.6		
T19	2154	2156	16.7	.52	128.9	4.02	32.8	1.02	18.5	.58	196.9	6.14	238.7		
T57	2159	2160	13.5	.42	86.2	2.69	23.1	0.72	14.1	.44	136.9	4.27	217.3		

Proximate analyses

			LIUA	ишане аца	Lyses			
Canister#	MD	(feet)		Analysis	Ash	Sample Density		
	Тор	Bot	Ash	Moisture	Volatile Matter	Fixed Carbon	Dry Wt%	g/cc
11	2094	2095	19.82	6.15	31.22	42.81	21.12	1.39
T19	2154	2156	11.15	6.38	33.04	49.43	11.91	1.38
T57	2159	2160	31.79	5.20	27.32	35.69	33.53	1.52

Variation in desorbed gas composition with seam and time

		varia			ed gas c	ompos	ition wi						
				ormalize					ght Aver			C1-	Seam
Can	GC#	CH4%	CO2%	Eth%	Prop%	But%	CH4%	CO2%	Eth%	Prop%	But%	C4%	
No	_												
11	1	91.656	5.612	1.774	0.598	0.360							
	2	95.677	1.336	2.391	0.246	0.350	l			\	1	[l
Depth	3	97.978	0.817	1.080	0.073	0.051							
2094	4	95.451	2.596	1.375	0.343	0.235							
ft	5	90.959	1.415	5.555	1.279	0.793							
	6	93.760	2.260	3.258	0.349	0.372	94.4	0.8	4.2	0.3	0.3	99.2	1
	7	95.510	1.332	2.815	0.240	0.103		0.6	4.2	0.5	0.5	33.2	1
	8	90.270	2.259	6.427	0.767	0.276							
	9	94.818	1.428	3.159	0.281	0.313							
	10	94.267	2.053	3.307	0.211	0.162							
	11	92.711	2.557	3.023	1.335	0.374							
	12	93.650	0.358	5.330	0.304	0.358					•		
T19	1	96.461	1.090	2.139	.0199	0.111							
	2	89.058	8.142	1.622	0.688	0.390							
Depth	3	98.578	0.180	1.020	0.119	0.103							
2154	4	98.265	0.432	1.069	0.124	0.109							
ft	5	95.916	1.385	2.190	0.333	0.176						98.6	
	6	97.657	0.609	1.548	0.128	0.057	96.6	1.4	4 1.6	0.2	0.2		2
	7	97.439	0.617	1.755	0.121	0.068	90.0	1.4 1.0	1.0	.0 0.2			
	8	96.853	0.346	2.430	0.189	0.182							
	9	96.754	1.001	1.908	0.156	0.181							
	10	90.242	0.584	6.317	1.944	0.913							
	11	97.876	0.124	1.585	0.233	0.182					[l	
	12	94.718	0.710	3.017	0.906	0.648			l				l
T57	1	97.403	0.577	1.501	0.252	0.266							
	2	97.517	0.518	1.436	0.285	0.245		:					
Depth	5	96.919	.0970	1.799	0.190	0.122	1						
2159	6	97.445	0.645	1.590	0.200	0.120	06.2	4.4	2.2	0.0	0.1	98.9	3
ft	7	97.565	0.582	1.455	0.209	0.189	96.3	1.1	2.2	0.2	0.1	90.9	٦
	8	97.914	0.590	1.300	0.126	0.071			1				1
	9	97.832	0.513	1.335	0.178	0.141							
	10	95.826	1.333	2.512	0.236	0.093							
	I				Ave	rage →	95.8	1.1	2.7	0.3	0.2	98.9	

Gas contents and compositions used in resource calculations and subsequent coal resources

Seam	MD (feet)		Seam Thickness	Ave Gas Content	Ave Gas Content	C1- C4 (%)	Ave Ash/Seam	Density	Resources	Resources	Resources Adj for C1- C4	
	Top	Bot	(feet)	(scf/ton)	(cc/g)	(%)	(%)	(g/cc)	(cc/cm2)	(BFC/sect)	(BFC/sect)	
1	2093.5	2095.5	2.0	163	5.07	99.19	19.82	1.39	430	0.39	0.39	
2	2154.0	2156.0	2.0	197	6.14	98.57	11.15	1.38	517	0.47	0.47	
3	2158.0	2160.0	2.0	137	4.27	98.87	31.79	1.52	395	0.36	0.36	
***************************************		Totals →	6.0							1.23	1.21	

United States Department of the Interior



BUREAU OF LAND MANAGEMENT Green River District-Vernal Field Office 170 South 500 East Vernal, UT 84078 (435) 781-4400 Fax: (435) 781-4410 http://www.blm.gov/ut/st/en/fo/vernal.html



IN REPLY REFER TO: 3162.3 (UTG011)

Joel P. Sauer Foundation Energy Management, LLC 14800 Landmark Blvd., Suite 220 Dallas, TX 75254

Re:

Return Change of Operator 4304736784 Well No. Tent Canyon 4-14-14-25 NWNW, Sec. 14, T14S, R25E Uintah County, Utah Lease No. UTU-72652

Lease No. UTU-72652 Displacement Point Unit DOGM shows Well PA 2007: U Operator Nat. Res. Privuer Nat. Res.

RECEIVED
JUN 2 3 2011

DIV. OF OIL, GAS & MINING

Dear Mr. Sauer:

The Sundry Notice for Change of Operator has been reviewed and is being returned for the following reason.

The above referenced well is located in the Displacement Point Unit. On March 29, 2011, an indenture dated June 1, 2010, whereby Pioneer Natural Resources (USA), Inc. resigned as Unit Operator and Foundation Energy Management, LLC was designated as Successor Unit Operator for the Displacement Point Unit, Uintah County, Utah. Therefore, the Change of Operator Sundry Notice is not needed.

If you have any questions regarding this matter, please contact Cindy Severson of this office at (435) 781-4455.

Sincerely,

Øer/y Kénczka Assistant Field Manager Lands & Mineral Resources

Enclosure

cc: UDO

Pioneer Natural Resources (USA), Inc.

Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPRO	VEC
OMB No. 1004-	013
Evniron Int. 21	201

5. Lease Serial No.

Do not use this	NOTICES AND REPO form for proposals t Use Form 3160-3 (A	6. If Indian, Allottee or Tribe Name					
SUBM	IT IN TRIPLICATE - Other	r instructions on page 2.	·····	7. If Unit of CA/Agree	ement, Name and/or No.		
1. Type of Well	· · · · · · · · · · · · · · · · · · ·	A Company of the Comp	 				
Oil Well	Well Other	8. Well Name and No. See Attached List					
Name of Operator Foundation Energy Management L	LC			9. API Well No.			
3a. Address 14800 Landmark Blvd Suite 220 Dailas, TX 72254		3b. Phone No. (include area co 918-575-1650	ode)	10. Field and Pool or I	Exploratory Area		
4. Location of Well (Footage, Sec., T.	,R.,M., or Survey Description)		11. Country or Parish, Uintah Co., UT	State		
12. CHE	CK THE APPROPRIATE BO	OX(ES) TO INDICATE NATUR	RE OF NOTIO	E, REPORT OR OTH	ER DATA		
TYPE OF SUBMISSION		T	YPE OF ACT	ION			
Notice of Intent	Acidize Alter Casing	Deepen Fracture Treat	paraing .	uction (Start/Resume)	Water Shut-Off Well Integrity		
Subsequent Report	Casing Repair	New Construction	Reco	mplete	Other Change of Operator		
Final Abandonment Notice	Change Plans Convert to Injection	يضمس	mporarily Abandontter Disposal				
Attach the Bond under which the	nally or recomplete horizonta work will be performed or pr (ved operations. If the operati I Abandonment Notices must or final inspection.)	lly, give subsurface locations and ovide the Bond No. on file with ion results in a multiple completi be filed only after all requirement	d measured an BLM/BIA. Fion or recompute, including	nd true vertical depths on Required subsequent repuletion in a new interval reclamation, have been			
Management, LLC. assumed opera	ations of these wells on Ma	arch 1, 2010.	, iiio. 5 iiilei	cor in the attached is	st of wells. Foundation Energy		

Betty Brownson Attorney-In-Fact Pioneer Natural Resources USA, Inc. 1401 17th Street - Suite 1200 Denver, CO 80202 Telephone: 303-675-2610

Fax: 303-294-1255

Joel P. Sauer Vice President Foundation Energy Management, LLC. 14800 Landmark Blvd., Suite 220 Dallas, Texas 75254 UT BLM: B005501

Telephone: 918-585-1650 Fax: 918-585-1660 RECEIVED

MAR 1 8 2010

BLM VERNAL, UTAI

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Joel P. Sauer Title	Vice President
Signature Coll Land	3-10-2010
V THIS SPACE FOR FEDERAL	OR STATE OFFICE USE
Approved by RETURNED TO	Trul.
Conditions of approval, if any, are attached. Apply a property of the subject lease which would entitle the applicant to conduct operations thereon.	Title Date Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to a fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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gency of the United States any false,

3LM - Vernal				[!					
Charge of Operator - Eff	ective 3/1/2010											
	sources USA, Inc. to Foundation	n Energy	Man	agem	ent, Ll	.C.						
							1					
api well name		qtr_qtr	sec	twp	rng	County	entity	zone	lease	l_num	stat	unit
4304732659 ATCHEE RII	OGE 15-13-25 1	SWSE	15	130S	250E	Uintah	11962	MNCSB	Federal	U-70248	S	DISPLACEMENT POINT
4304732602 ATCHEE RII	OGE 24-13-25 1	SESW	24	130S	250E	Uintah	11963	MNCS	Federal	UTU-72075	S	DISPLACEMENT POINT
4304731104 BLACK HOR	SE 12-8-15-24	SWNW	08	150S	240E	Uintah	8070	MNCSB	Federal	U-2836	S	BLACK HORSE CANYON
4304731045 BLACK HOR	SE 14-15-15-24	NENW	15	150S	240E	Uintah	8070	MNCSB	Federal	U-2837	S	
4304730248 BLACK HOR	SE 2 1-29-15S-24E	SESE	29	150S	240E	Uintah	10897	MNCS	Federal	U-2838	S	BLACK HORSE CANYON
4304730619 CROOKED C	ANYON 13-17-14-23	NWNW'	17	140S	230E	Uintah	8055	DKTA	Federal		P	
4304732618 DAVIS CAN	YON 12-13-25 1	SENE	12	130S	250E	Uintah	11970	MVRD	Federal	UTU-70247	P	DISPLACEMENT POINT
1304731134 DAVIS CAN	YON FED 7-1-13-26	NENE	07	130S	260E	Uintah	2840	DKTA	Federal	U-46737	P	
4304730331 DRY BURN	U 1 1-29-13S-25E	NWSE	29	130S	250E	Uintah	16218	MNCS	Federal	U-10184	S	DISPLACEMENT POINT
1304735678 FED ATCHE	E RIDGE 22-13-25	swsw	22	1308	250E	Uintah	14972	MVRD	Federal	UTU-073189	OPS	DISPLACEMENT POINT
4304730639 MAIN CANY	ON FED 11-10-15-23	SENW	10	150S	230E	Uintah	11605	CSLGT	Federal	U-8361	S	
4304731111 MAIN CANY	ON FED 16-4-15-23	NENE	04	150S	230E	Uintah	11608	MNCSB	Federal	U-8361	S	The second secon
4304737705 MAIN CANY	ON FED 23-7-15-23	NESW	07	150S	230E	Uintah	15699	DK-MR		UTU-9211	P	
4304731072 MAIN CANY	ON FED 6-3-15-23	NESW	03	150S	230E	Uintah	8245	MNCSB		UTU-8361	S	
4304731073 MAIN CANY	ON FED 6-8-15-23	NESW	08	150S	230E	Uintah	11606	CSLGT	Federal		S	
4304730977 MAIN CYN I	FED 8-7-15-23	NESE	07	150S	230E	Uintah	11601	MNCS	Federal	U-9211	TA	1
4304739428 MAIN CYN I	FED 12-8-15-23	SWNW	08	150S	230E	Uintah	16256	ENRD		UTU-9211	P	
4304730674 MAIN CYN I	FED 15-8-15-23	NWNE	08			Uintah		MNCS	Federal		P	
4304730735 MAIN CYN I	FED 2-8-15-23	SWSE	08	150S	230E	Uintah	11599	DKMNB	Federal	U-9211	P	
4304737928 MAIN CYN J	FED 32-10-15-23	SWNE	10	150S	230E	Uintah			Federal	UTU-8361	AL	
4304731043 MAIN CYN I	FED 4-4-15-23	swsw	04	150S	230E	Uintah	11602	DKTA	Federal	U-8361	P	
4304730736 MAIN CYN J	FED 7-17-15-23	NWSE	17	150S	230E	Uintah	11600	DKMNB	Federal	U-8359	P	
4304731135 MAIN CYN S	ST 8-2-15-22	NESE	02	150S	220E	Uintah	8076	MNCS		ML-22320	DH	
4304731074 PINE SPRING	GS 13-26-14-22	NWNW	26	140S	220E	Uintah	13615	CSLGT		U-27413	S	
4304731042 PINE SPRING	GS 7-21-14-22	NWSE	21	140S	220E	Uintah	8086	DKTA		U-10199	P	PINE SPRINGS
4304731096 PINE SPRING	GS 9-12-14-21	SENE	12	140S	210E	Uintah	10772	WSTC	Federal	U-10272	P	PINE SPRINGS
4304731348 PINE SPRING	GS FED 12-18-14-22	SWNW	18	140S	220E	Uintah	10772	WSTC	Federal	U-6841	S	PINE SPRINGS
4304734676 PINE SPRING	GS FED 12-23-14-22	SWNW	23	140S	220E	Uintah	13616	CSLGT	Federal	UTU 006614	OPS	
4304734675 PINE SPRING	GS FED 3-23-14-22	SESW	23	140S	220E	Uintah	10773	MNCSB	Federal	UTU 006614	P	PINE SPRINGS
4304731063 PINE SPRING	GS FED 8-20-14-22	NESE	20	140S	220E	Uintah	8086	DKTA		U-10119	P	PINE SPRINGS
4304730284 PINE SPRING	GS UNIT 1 1-23-14-22	NESW	15	140S	220E	Uintah	595	DKTA	Federal	U-27413	S	PINE SPRINGS
4304730325 RAT HOLE (CYN UNIT 1 7-8-14-25	NWSE	08	140S	250E	Uintah	16219	MNCS	Federal	U-3176A	S	DISPLACEMENT POINT

BLM	Vern	al		Ī								T	
Chan	e of C	Operator - Effective 3/1/2010											
From	Pione	er Natural Resources USA, Inc. to Foundatio	n Energy	Man	agem	ent, Li	LC.						
api		well_name	qtr_qtr	sec	twp	rng	County	entity	zone	lease	l_num	stat	unit
4304	30126	SE FLANK UINTAH 1-28	swsw	28	150S	220E	Uintah	6121	DKTA	Federal	U-0149536	P	
43047	30460	SWEETWATER CANYON 1 1-14-14-24	SWNW	14	140S	240E	Uintah	8060	MNCSB	Federal	U-10133	S	SWEETWATER CANYON
43047	30332	SWEETWATER FED 10-23-14S-24E(1-L-23)	SWNE	23	140S	240E	Uintah	9560	MNCS	Federal	U-10133	S	SWEETWATER CANYON
4304?	31040	SWEETWATER FED 6-13-14-24	NESW	13	140S	240E	Uintah	8060	DKTA	Federal	U-10132	S	SWEETWATER CANYON
43047	36784	TENT CANYON 4-14-14-25 ★	NWNW	14	140S	250E	Uintah	16329	MVRD	Federal	UTU-72652	PA	S. DISPLACEMENT POINT
43047	30975	TRAPP SPRINGS 1-25-14-23	SESE	25	140S	230E	Uintah	8081	DKTA	Federal	U-38073	S	
43047	31041	TRAPP SPRINGS 16-25-14-23	NENE	25	140S	230E	Uintah	8081	DKTA	Federal	U-38073	P	
4304"	30582	TRAPP SPRINGS 4-25-14-23	swsw	25	140S	230E	Uintah	10894	DKTA	Federal	U-38073	P	TRAPP SPRINGS
43047	30791	TRAPP SPRINGS 6-35-14-23	NESW	35	140S	230E	Uintah	8081	DKTA	Federal	U-59581	P	1,
43047	31003	TRAPP SPRINGS FED 3-26-14-23	SESW	26	140S	230E	Uintah	8081	DKTA	Federal	U-38071	S	
43047	31091	WOLF POINT FED 2-18-15-22	SWSE	18	150S	220E	Uintah	8077	MNCS	Federal	U-30112	S	
43047	30622	WOLF POINT FED 3-11-15-21	SESW	11	150S	210E	Uintah	. 8065	DKTA	Federal	U-6618	P	
43047	31137	WOLF POINT FED 5-13-15-21	NWSW	13	150S	210E	Uintah	8071	DK-MR	Federal	U-30112	P	
43047	31027	WOLF POINT FED 6-14-15-21	NESW	14	150S	210E	Uintah	8072	DKTA	Federal	U-10173	S	·
430	31071	WOLF POINT FED 7-15-15-21	NWSE	15	150S	210E	Uintah	8073	DK-MR	Federal	U-6618	P	